### TEXAS DEPARTMENT OF MOTOR VEHICLES

#### BOARD MEETING

9:00 a.m. Thursday, September 8, 2011

200 East Riverside
Building 150
Room 1.B1
Austin, Texas 78704

#### BOARD MEMBERS:

Victor Vandergriff, Chair Cliff Butler Blake Ingram Victor Rodriguez Marvin Rush Laura Ryan Johnny Walker

#### STAFF MEMBERS:

Brett Bray, General Counsel

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## PROCEEDINGS

MR. VANDERGRIFF: Good morning. Glad to have everybody here. I am pleased to call the September 8, 2011 meeting of the Board of Directors of the Texas Department of Motor Vehicles to order at approximately 9:04 a.m. I want to note for the record that the public notice of this meeting, containing all items on the agenda, was filed with the Office of Secretary of State on August 26, 2011.

And before we begin today's meeting, please place all cell phones and other communication devices in the silent mode. I never remember to say that.

If you wish to address the board during today's meeting, please complete a speaker's card at the registration table at the back of the room. To comment on an agenda item, please complete a yellow card and identify the agenda item; if it is not an agenda item, we'll take your comments during the public portion of the meeting.

Now I'd like to have a roll call, please, of the board members. Board Member Butler?

> MR. BUTLER: Present.

MR. VANDERGRIFF: Board Member Ingram?

MR. INGRAM: Here.

MR. VANDERGRIFF: Board Member Rodriguez?

MR. RODRIGUEZ: Present.

MR. VANDERGRIFF: Board Member Rush?

ON THE RECORD REPORTING (512) 450-0342

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1	MR. RUSH: Here.
2	MR. VANDERGRIFF: Board Member Ryan?
3	MS. RYAN: Present.
4	MR. VANDERGRIFF: Board Member Walker
5	MR. WALKER: Here.
6	MR. VANDERGRIFF: And let the record reflect that
7	I, Victor Vandergriff, am here too. We do have a quorum.
8	Please note that Vice Chair Cheryl Johnson is absent from
9	today's meeting. And I also want to note that we do have a
10	ninth board member, he has not yet taken the training. His
11	name is Raymond Palacios; he's a dealer from the El Paso,
12	Texas area, Cadillac dealer, and we're delighted to have
13	that slot filled. He was named a little over a week ago.
14	He will be here at his first official meeting at the October
15	board meeting. So we'll looking forward to having him join
16	us, and he is representative of the motor vehicle franchise
17	dealer industry.
18	With that, I'd like to move to the consent
19	agenda. Mr. Harbeson, are you ready?
20	MR. HARBESON: Yes, sir. May I proceed?
21	MR. VANDERGRIFF: Please.
22	MR. HARBESON: Good morning. My name is Bill
23	Harbeson. I'm the director of the Enforcement Division of
24	the department.
I	

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On today's consent agenda there are 51

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1	enforcement agreed orders where staff has reached an
2	agreement to settle the case with the respondent. There are
3	three enforcement NOVs where the parties have settled; there
4	is one motion to dismiss filed by the staff before you;
5	there's seven Lemon Law cases where settlements have been
6	reached and the case is before you to dismiss; there's one
7	franchise case before you where the parties want to dismiss
8	the case. That's the consent agenda.
9	The orders have previously been provided to you
10	and the staff today is recommending that you approve these
11	actions.
12	MR. RODRIGUEZ: So moved, Mr. Chairman.
13	MR. VANDERGRIFF: We have a motion from Board
14	Member Rodriguez. Do we have a second
15	MR. WALKER: I second.
16	MR. VANDERGRIFF: Second from Board Member
17	Walker. All those in favor please raise your right hand.
18	(A show of hands.)
19	MR. VANDERGRIFF: All those opposed.
20	(No response.)
21	MR. VANDERGRIFF: The motion carries unanimously.
22	With that, we have a couple of resolutions for
23	individual consideration on contested cases.
24	MR. GLADNEY: Good morning. For the record, Mark
25	Gladney, Lemon Law Section manager.

We have two cases for your consideration today. The first one on the agenda is Rhoads v. Land Rover, it's in your packet. In this particular case the complainant had purchased a used 2006 Land Rover LR3 and complained of a persistent problem with the tire pressure and air bag light. The consumer had brought the vehicle in for servicing for approximately three times for these issues.

A hearing was held at SOAH on April 20. The respondent Land Rover argued there was no problem with the tire pressure light and that the tires had more than 50,000 miles on them and had been plugged and that the light had been working properly under those conditions. The recommendation was for new tires. The problem couldn't be duplicated at hearing so the ALJ found insufficient evidence of the problems and the PFD recommended dismissal of the case under 2301.204. The staff in this particular case recommends adoption of the order of dismissal that's in your packets.

MR. RODRIGUEZ: So moved, Mr. Chairman

MR. WALKER: I second.

MR. VANDERGRIFF: We have a motion from Board Member Rodriguez, a second from Board Member Walker. Any discussion?

(No response.)

MR. VANDERGRIFF: Seeing none, please raise your

right hand in support of the motion.

2.

(A show of hands.)

MR. VANDERGRIFF: The motion carries unanimously. Thank you, Mark.

MR. GLADNEY: The second case, Bernal v. Ford, this involved a used 2006 F-250 truck with engine-related problems. The hearing was held on this case on May 6. The vehicle was in excess of the warranty limit. At the start of the hearing the ALJ ordered dismissal of the action due to the claim being outside the warranty period. However, agency precedent has allowed for 2301.204 relief as long as the defect or nonconformity was brought to the manufacturer dealer's attention within the warranty period. The evidence in the case shows that the consumer had brought this particular problem to their attention on no less than three occasions.

Therefore, under 2010.58(e), an agency is allowed to modify a PFD in the event of a misapplication of law or prior agency decisions, and in this particular instance staff recommends adoption of the proposed order calling for repair relief for the consumer

MR. WALKER: So moved that we accept the motion.

MR. RUSH: Second.

MR. VANDERGRIFF: We have a motion from Board Member Walker and a second from Board Member Rush. Any

1	discussion?
2	MR. INGRAM: Do we have anybody that's going to
3	speak on this?
4	MR. GLADNEY: No one is here to speak on these
5	particular issues.
6	MR. VANDERGRIFF: And I apologize, I assumed you
7	would have said that if they were here.
8	MR. GLADNEY: Yes, sir.
9	MR. VANDERGRIFF: With that, please raise your
10	right hand in support of the motion.
11	(A show of hands.)
12	MR. VANDERGRIFF: The motion carries unanimously.
13	MR. GLADNEY: That's all I have. Thank you.
14	MR. VANDERGRIFF: All right. I believe, Mr.
15	Harbeson, you're back up.
16	MR. HARBESON: Yes, sir.
17	I am Bill Harbeson, the director of the
18	Enforcement Division.
19	Today before the board are six enforcement
20	motions for disposition where a contested case proceeding
21	was filed by staff and there was a subsequent default by the
22	party who the action was being taken against. The staff has
23	presented you with a proposed order and we're asking for
24	approval of that proposed order.

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MR. VANDERGRIFF: So moved, Mr. Chairman, but I

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do have a question. Do you want to do it now?

2.

MR. BUTLER: I'll second the motion.

MR. VANDERGRIFF: We have a motion from Board Member Rodriguez, a second from Board Member Butler. And discussion, Board Member Rodriguez.

MR. RODRIGUEZ: Mr. Harbeson, I just want to understand how we cost these out in terms of the fines. And I don't need to necessarily understand it today, if there's something say we just think this is what it is, but it seems to me that this someone's opinion about what we think is appropriate, and my question is if that's the case that's okay.

My question is this: Could we not approach this from a schedule of fines or something like that? I'm just wondering. It just seems like we go from \$1,500 and every other time we do this they're all over the map and I find no consistency, and I'm just trying to figure out where we reach out to get these numbers from.

MR. HARBESON: Yes, sir. We actually start the case with a schedule of fines based on the allegations, there's a dollar amount assigned to the violation. Those particular allegation recommended fines are escalated based on prior history and the number of events.

MR. RODRIGUEZ: So they know that schedule, these people know that schedule, they know what they're looking

at.

2.

MR. HARBESON: The people, when the case is brought against them, are advised of the maximum amount of penalty that is available for each of the allegations that are before them. So when the notice of the case and the allegations are sent to them, we advise them of the maximum amount that's available to be awarded on each of the allegations.

MR. RODRIGUEZ: Are any of these the maximums?

MR. HARBESON: I don't know, sir, I'd have to

look at that, but in some cases they are. Again, it's based

on the nature of the case, the number of allegations, the

history, and whether there's consumer harm is also an

aggravating factor we take into account.

MR. VANDERGRIFF: One thing I would like to suggest -- for those who have been in this industry for a while, they may be somewhat familiar with those fines -- I think it would be appropriate to come back to this board with a presentation about the fining system and the maximum and minimum amounts and just give us a presentation with respect to that.

MR. HARBESON: We can do that easily, sir.

MR. VANDERGRIFF: Mr. Walker.

MR. WALKER: Who makes the determination on each particular case?

MR. HARBESON: The attorney who is handling the case makes that determination looking at the file, and then I will review each of those recommendations. I sign an affidavit that says it's an appropriate penalty, and that's part of each of the motions that's before you.

MR. WALKER: I'll concur with Victor on this because I've asked the same question myself before, and I do think it's something that needs to be addressed here, but do you ever sit down with this group of attorneys and say:

Hey, let's talk about the range of fines and what makes this fine \$200 and this one \$1,500?

MR. HARBESON: We did that last year, we did a review of the fines looking at --

MR. WALKER: Not individually I'm talking about, but do you sit down and say this is the realm of where we need to be with respect to why this guy is \$1,500 and why this guy is \$200?

MR. HARBESON: I will question whether something is too low or too high when looking at the allegations. We do have staff meetings where we discuss the range that we're using. I like to give the attorneys some latitude in this area because really every case is different based on the facts. So they have a range that they can operate within, there's a starting point on the schedule and from there they can go up or down. It's normally not going to go up. In

other words, the recommended penalty is the recommended penalty.

MR. WALKER: We do need to be consistent in how we administer the fines here.

MR. HARBESON: And that's why we start from the schedule. For instance, not having the right tag on a car, there's a dollar amount assigned to that. We will review that over time to see whether it needs to go up or down based on the number of allegations and the seriousness of the individual allegation.

MR. VANDERGRIFF: I was going to ask you to comment.

MR. INGRAM: I would warn that every one of these cases is different, and the reason why they seem kind of a little bit all over the board probably to you is because of that variety, and luckily we have Bill who is very proactive in trying to make the fine fit the penalty. I think it would be clearer to us if he just simply put the maximum penalty down on every single piece that there is. While that would give us some clarity, it would also be taking away his judgment and his knowledge about the severity of the problem.

So I think it's certainly appropriate for Enforcement to come back with the ranges, I totally agree with that, but I don't think that we're ever going to get to the point and go well, this is consistent between A, B, C and D, because A, B, C and D are all different. If that makes any sense at all.

MR. VANDERGRIFF: I will note, too, because of the industry obviously I've been a part of, that I don't get many complaints about the monetary fine. I think generally people think that whatever it is is fair. Their biggest concern is that they got, in effect, a judgment against them, that's the thing that they worry about more than anything else.

MR. INGRAM: And as a dealer, I've never had a complaint about Motor Vehicle assessing a penalty that was too high.

MR. HARBESON: Mark brought to my attention in the Occupation Code there's actually a laundry list of factors that we should be looking at in assessing these penalties and that's at 2301.801. And when you review the affidavits that are before you in the package you'll see that I actually list out those factors that have been considered when we determined the appropriate penalty for the case.

But we'll provide you the chart. It's not anything secret and we'll be glad to get that to you and show how we actually go through one of these cases and calculate the penalties.

MR. RODRIGUEZ: Just one more point.

MR. VANDERGRIFF: Please.

MR. RODRIGUEZ: I don't have any quarrel with the ranges of dollars between A and B or whatever they may be, just from an appearance standpoint it seems rather arbitrary. We don't know here whether this is a Schedule H-1 violation at \$1,500 whereas the \$4,000 fine over here is a Schedule HG-1, or something like that. So I'm just trying, for public consumption purposes, to make a little bit more sense of that. It seems like here's four fines and you're \$1,500 and you're \$4,000, that's all.

MR. HARBESON: If I could propose at the next meeting what I could do, this particular range of cases, this type of case where we've had a default and there hasn't been an agreement by the party and the staff has been the one that determines the penalty, I can actually go into detail and show you how the analysis was done, and that would help everybody understand how we get where we are.

MS. RYAN: I think to also know if it was a multiple, if this is the third offense, this is the third fine in a certain period of time, that puts some relativity on it without too much detail. I don't know if that helps. As you said, that's an impact on it, correct, bringing it up to the maximum?

MR. HARBESON: Yes, ma'am.

1 MR. WALKER: I have another question. MR. VANDERGRIFF: Please go ahead. 2 MR. WALKER: How do we track these fines once we 3 4 have issued them? MR. HARBESON: They go into the system and they 5 6 remain part of the particular case in our system, in the 7 LACE system. The Licensing Division, if a renewal comes up will advise us that there's an outstanding penalty being 8 paid. After the actual order is issued and signed by the 9 board, it is sent by certified mail to the respondent, his 10 last known address, to advise him of the action taken. 11 MR. WALKER: What percent of these things do we 12 collect? Do we collect these or does the Attorney General's 13 14 Office collect them? MR. HARBESON: We collect them. 15 MR. WALKER: What percent do we collect? 16 17 MR. HARBESON: It's a very low percentage because most of the people we're dealing with in these default cases 18 are gone, they are out of business and don't care anymore. 19 20 MR. WALKER: So we don't pursue. 21 MR. BRAY: Over time, many times we've explored the idea with the Attorney General's Office, but quite 22 23 frankly, most of these fines are not at a level that the 24 Attorney General's Office is willing to spend resources to

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try and collect.

MR. WALKER: So it doesn't matter really what we put out there, they're not getting paid anyway.

MR. RODRIGUEZ: It does matter, I think.

MR. BRAY: It matters a lot because these same people that leave in the middle of the night many times come back and try again, and if they're facing a fine.

MR. RODRIGUEZ: I guess that's a whole other discussion about collectables and what is our collection rate and all that kind of stuff. But if that's an issue, I think we ought to discuss that for future legislation.

Maybe we can find some way of let's say before that person gets a license or registers a vehicle here in the future, whomever the fined person is at the end of the day, that they have this outstanding debt to pay as opposed to just forgetting about it. But that's a whole other discussion.

MR. HARBESON: And Mr. Walker brings up a good point. This does cost us some money to go forward.

Optimally, we should try to settle the case before we go to the State Office of Administrative Hearings where we get charged for their time. We will look at cases and if it's one violation, \$500, \$1,000 fine, they're out of business, no history of really being a bad actor, you'll see those cases as dismissals rather than us going in and investing more money at the State Office.

On the other side, as Brett mentioned, we will

have people who are going out in a blaze of glory with multiple violations, and we will go ahead and at least try to put some sort of roadblock up for those people coming back into the industry by one of these orders, but again, we're going to keep it within the schedule as being appropriate for the given offenses. But somebody didn't transfer title on 50 cars, for instance, you'll see that case.

2.

MR. VANDERGRIFF: Is the percentage you collect on the fines on a franchise dealer a higher percentage than that on an independent dealer?

MR. HARBESON: It would be very unusual for us to have a franchise case where they would go to default, and so you're just not going to see a lot of those. It's normally going to be somebody that's on their way out of business and they don't care. So it's really a business decision on how much we invest after that to try and collect money which everybody else is looking for at the same time.

MR. VANDERGRIFF: A lot of people in the independent business go out of business all the time, it's in and out.

MS. RYAN: Can we place a judgment on that particular individual or block them from getting another license, or can we tie it to their individual? Is there something else we can tie it to, or that would be the

legislative changes?

2.

MR. HARBESON: The order does tie it to the individual, and in the case of a corporate defendant we have language that says that if in the future any officer, director or manager of that particular corporation comes back, staff is then ordered to oppose the new license application.

MR. VANDERGRIFF: I think the points the board is making are good points. I'd love for you to be able to come back with some detail about not only the schedule of fines but just the whole range of collection activities on it

MR. HARBESON: Yes, sir.

MR. RODRIGUEZ: Just if we need legislation, that starts prepping the proposal down the road for a piece of legislation. For example, why not file these with the Comptroller's Office and have them tag any money going out to that person in the future, restrict it from going out. That may require legislation, I'm not sure. Or a driver's license issuance for that person in the future. There are a variety of different things today that are linked to bets or fines that are pending that won't get released till those things are cleared.

But collection and what we need in that area is a whole other discussion, and I didn't mean to sidetrack this, Mr. Chairman.

1 MR. VANDERGRIFF: That's all right. It's a good discussion. 2 Anything else? 3 4 (No response.) MR. VANDERGRIFF: We do have a motion on the 5 6 floor to approve these default judgments. All those in 7 favor please raise your right hand in support. (A show of hands.) 8 MR. VANDERGRIFF: Those opposed. 9 (No response.) 10 MR. VANDERGRIFF: The motion carries unanimously. 11 With that, we're on to agenda item number 4, and 12 the first item up on that is the plate design standards, I 13 14 think we asked for that at the meeting before last or the 15 last meeting, and Mr. Elliston is up to talk about it. 16 just stay up on B and C. 17 MR. ELLISTON: Good morning, Mr. Chairman, 18 members. For the record, my name is Randy Elliston. the director of the Vehicle Titles and Registration Division 19 20 for the department. 21

And as the board has had quite an interest in our specialty license plate program and how we kind of get to these plates, the designs, the number of plates that we have and that sort of thing, I wanted to bring to you a relatively quick, high level view of kind of where we're at

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and where we're going, the things that we're looking at doing with our specialty plate program in regards to the numbers, and along the way, if you have any questions, please interrupt me.

Just to get started, prior to the implementation of the vendor program, Texas had just over 150 specialty license plates. All these license plates, though, had relatively consistent designs, most of them had a graphic on the left side of the plate and then the numbers were in the middle of the plate, usually on a white background. We didn't use full color at that time so you had a very good contrast and good reflectivity on the plates.

Since the vendor program has begun, the number of plates have increased to a total of about 276 and these have full color designs which span the entire license plate in many cases. And also, later in the meeting today you'll have another eight or so of these plates coming before you.

To give you a little more information, the number of specialty plates added in Texas over the last 73 years and the percentage of the total, you'll see on the chart there from 1938 to 1969 we only added seven license plates which was a very small percentage, but then if you drop on down to the later dates, if you look from 2010 to today, we've added 112 which is basically 41 percent increase over the last two-year period, so we are rapidly going up in the

number of plates that we have on the road.

One of the first standards we look at when we're approving a license plate is the readability of the license plate, and basically we use an AAMVA standard that says this plate needs to be read at least at 75 feet. We test all of our plates using a scanned version of the license plate, we use computer software that does contrast measurement on the plate to look at and say does it contrast enough so it should be readable at 75 feet. Plates with no background design are exempt from this testing, so if it's basically virgin white sheeting there's no reason to test them because we know that those would pass.

That system had worked fairly well, but as we get into the vendor program and a lot of the full color backgrounds, what we're seeing on some of these plates is as it measures it's measuring one color against the other but it's not looking at the entire license plate so it's just taking a spot on the plate and looking at it. What we've noticed, as with the Texas Longhorn plate, a lot of that plate is very visible, it looks really good, but when you get right in the middle where the "1" is on the orange, it becomes very difficult to read. So we're coming up short on our testing of the plate there with the software.

The next one over to it, it's kind of difficult to see in the slide but it has a gradient degree, it changes

from the top to the bottom, it's light at the top, gets darker at the bottom. Now, for me I see that very well, but for some people, as the contrast changes, it makes it a little more difficult for them to see.

2.

The next standard we do is our reflectivity which is also we use another 75-foot standard there. These are all tested over at the TxDOT facility, and we don't have much problem with reflectivity. The virgin sheeting that we use, a 3M product the vendor that provides this to us, it's a very high quality product, it's always worked very well. Reflectivity is important, and we do reject plate. We have them come in that have too much ink on them so it doesn't get a high enough grade so it doesn't reflect sufficiently enough. We send them back to the vendor and they make changes to them to get the virgin sheeting to where it shows enough to get good reflectivity.

Then when you get into the plate authenticity, is it a legitimate plate, is it a real plate, how do we tell by looking at it, how does law enforcement when they're looking at the plate know this. Well, currently in Texas our digitally manufactured plates have a 3M holographic image on the plate. Now, I brought one of these plates here and this one just has virgin sheeting, has the hologram on it, and when I hold that up to you probably you can't see that hologram, it runs right down through the middle. It has to

be turned at a certain degree, certain angle, and then you'll get the little circles that run up and down and have TX on them and then has another number. But for you looking at that or law enforcement as they approach it, it's very difficult to see that watermark or holographic image on the plate. We also have a bar code that's on the bottom of the plates that provides production information.

2.

The next things we're looking at for anticounterfeit and readability enhancements that we currently
have under consideration, the first one is a virtual
security image that's visible at any angle, and I'm going to
hold this one up. You can probably see that, it runs right
through the middle of the plate. It's actually threedimensional. On the plate it's very visible from a little
more of a distance. When you actually get up closer to it,
it actually is 3D, it looks like it's standing off of the
plate. This is another 3M product that they brought to us.
They've actually got some of the sheeting made, we're
sending it down to put into production on Texas plates to
see how well that it shows up. So this would be something
that would enhance the ability of law enforcement when
they're looking at a plate to tell this one is good.

The other thing is camera-readable bar codes.

We're exploring that where a bar code could be on it and that's more in line for toll road situations. This would

require them to buy some equipment but it's something that we're looking at: should we get a camera-readable bar code so as the car goes through if it misses the image in the photograph it could pick up the bar code and they'd get all the information off that bar code.

The next thing is infrared camera-readable colors. 3M is also working on that with us to use an inking process on there so if you're along say the border areas, border patrol and other law enforcement use a lot of infrared camera systems, that that would actually illuminate in an infrared situation better, and actually our current ones don't do very well at all but these would do a lot better.

But I will tell you that when you're talking about fictitious license plates or fake license plates, we've only had three cases reported to us of counterfeit plates. Most criminals, it's a whole lot easier for them to go steal a plate off another car and go stick it on a car than it is for them to actually manufacture a plate. The ones we've seen that have been done, a couple of them the quality was pretty poor but one of them actually was pretty good. If they would have poked the holes out where the screws go in a little better, it would have been quite good.

But those are some of the things that we're looking at with our plates today.

MS. RYAN: Question on the 3D, does that show up on multicolors? You just have that on white, but if that were a blue background or a phased color scheme, would it still show up?

MR. ELLISTON: This one here has it on it. I don't know if you can see that from there or not. In fact, let me bring those up. These are two examples that are actually in production in other states, and you can see how it kind of runs through the middle there. I believe those also have the other hologram or watermark in them also that you have to turn it at a certain angle to be able to see.

The current changes that we're also looking at is to add by rule the requirement that plates must pass law enforcement testing and be readable by law enforcement and toll cameras. This procedure would include law enforcement review and testing during daytime and nighttime conditions and the plates will continue to be tested by toll authorities. We currently send our plates to the toll authorities and put them on vehicles and run them through to make sure that the toll cameras are going to pick those up.

About a year ago we began talking with law enforcement about this process of testing, and we started a working group with DPS, the Sheriffs Association, Municipal Police Association, TxDOT, Texas Police Chiefs Association, and they've agreed to provide manpower for us. I've been in

contact with DPS. They said they would provide vehicles, equipment, camera systems and those sorts of things. So in the future we'd like to run our plates through our normal process of testing to make sure we get to that, but then to make sure that it works on a real roadside situation is before it comes to the board or before they're approved to come to the board, it will go through this group of law enforcement that will actually take them in a nighttime and daytime situation, put them on cars and run them through real scenarios to see does this license plate work.

I've already received comments from law enforcement as to the Longhorn plate that we were looking at that the orange is too dark, we're having difficulty with that, so we're going to have to work on those things. We do have a provision in the law that allows if DPS says they've got a problem with it that we need to move forward with making that correction.

So I think this is a very positive thing that we get this group of professionals to look at these who deal with them on a daily basis and have to utilize them and rely on them for identification of vehicles and people, that it meets their standard also.

So far in the last couple of years the law enforcement has brought two issues to us. One was on the new general issue plate, that the blue at the top was too

dark, they couldn't read the numbers. That plate has been redesigned and modified to meet their approval. And the next was out-of-state college plates. DPS came to us and said, We don't like or we won't approve "Oklahoma" being written across the license plate, or "Illinois." Which makes sense, it then makes that plate look like it's an Oklahoma or Illinois instead of a Texas plate.

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So that's the end of this presentation, unless you have any other questions, but I kind of wanted to give you an overview of the things that we're doing and the things we're looking at doing to try to move this forward with making sure our plates are recognizable and work for law enforcement also.

MS. RYAN: In working with the law enforcement groups, is there anything that they've said they needed that we have not been able to accommodate on?

MR. ELLISTON: Not at this time.

MS. RYAN: Okay, good.

MR. VANDERGRIFF: I'm assuming My Plates is involved in this, as well, in the discussion on this.

MR. ELLISTON: Well, we have not engaged My
Plates in the law enforcement piece of it at this point,
we've just utilized law enforcement folks to give us their
input on the plates.

MR. RODRIGUEZ: Can I recapture that question she

asked? I'm sorry. Laura, what was your question?

MS. RYAN: Was there anything in working with law enforcement that they have requested that we've not been able to accommodate with the changing in the plates.

MR. ELLISTON: Not to my knowledge.

MR. WALKER: Randy, how will this intervention with the law enforcement people reviewing our license plates slow down the process?

MR. ELLISTON: We don't think that it will. I believe I have a commitment from them that they will provide people that we could do that on a monthly basis if we needed to. Some of the plates would be very obvious that they would not even need to go through that process, but the ones where we have any question about whatsoever we would put them through the process. Now, if it's a black and white plate that is similar to what we've used in the past, then we would not need to send those through there. But when you're talking about full color and you've got a lot of dimensions going on on the plate with the coloring, those are ones we'd certainly want them to be reviewing.

MR. WALKER: But couldn't we do that internally ourselves instead of going out to law enforcement? I mean, just get law enforcement's criteria and our people should be able to make the same educated decisions that law enforcement is going to do without having to go out and find

a group of people from a sheriff's department, the DPS, city police and say let's get together and look at a license plate. Why can't we do that just with our own staff here?

MR. ELLISTON: Well, we could do some of that on a limited basis, I think, with the staff, and anything that we could we would do. The difference being is we've got to have the equipment, we've got to have the cars, we've got to have license plate readers that some law enforcement agencies use, we need the camera systems that they use within their patrol cars, we need the overhead lights on the cars. Anything that goes on with that car with the lights flashing in the dark, the headlights, the flashlights -- most of them use an SL-20 type flashlight that's an extremely high-powered flashlight -- all those things factor into what a law enforcement officer sees.

I think it's a very good thing to engage them in the process. We want them to be our partners on it, they've offered to do it, and I think we ought to utilize that resource because then if we have a complaint later on we can say, Law enforcement has approved this license plate. And I think it just provides us a lot of good information. If it were to get to a point where we can't get them together, it's going to slow our process down, we might have to look at that. And maybe working with them over a year or so we could get to that point, but for right now I think it's very

1 valuable to engage them in the process. MR. WALKER: This wouldn't be done by rule, would 2. it? 3 4 MR. ELLISTON: Well, one of the proposals in the 5 side was that by rule to state that it would need that 6 review. I think if you look at the orange 7 MR. RODRIGUEZ: 8 tab, page 9 of 9, that you have a summary and there's probably some areas we could work with, but I mean, that's 9 about the rule question. But my question, Randy, is this: 10 you said there's nothing law enforcement has asked that we 11 haven't accommodated, you said that you bring them in to 12 look at a particular license plate, so every time we have a 13 14 license plate you're going to go through this exercise? 15 MR. ELLISTON: Like today we have a group of eight plates. Before those eight plates would come to the 16 17 board, we would run them through this process to have them 18 review them. MR. RODRIGUEZ: So why the absence of standards? 19 20 If we had an approved standard, we wouldn't have to be 21 bringing people for every other meeting, would we? 22 MR. ELLISTON: Well, at the moment I don't know 23 how we would -- I'd love to have a standard that says this

is what the license plate looks like, this is what we can do

with the license plate, but with our current contract with

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our vendor today, they can bring us basically any kind of design they want to bring to us, we don't have the ability to necessarily limit what they bring to us.

MR. RODRIGUEZ: Except the department may not restrict the vendor on background colors and patterns, except as determined by DPS as necessary for law enforcement, and I'm suggesting to you that standardization is a requisite for law enforcement in our world today. That's what I'm saying to you. Now I'm asking: You've got eight license plates up there, how many of them are the same? What is the font size for "Texas" on the Prairie View plate, what is the font size for "Texas" on your bulldogs plate, why do we have different fonts, different letter styles for these plates?

I see eight plates today, I don't see any standard that we can relatively rely upon. You've got Texas, some you take the bottom tier of the license plate, some you don't. "Texas" comes in different shapes and forms. Sometimes the registry number runs across the entire plate, sometimes it doesn't. There are no standards.

And when you answered the question about has law enforcement asked anything of you that we haven't been able to provide, you said no, and I'm asking you has standardization not been, some sort of reliable basis to determine when you look at a license plate that that is a

Texas license plate? We have the ability to do that and adopt that without infringing on the contractor's right, don't we?

MR. ELLISTON: I think that's probably a little bit up to debate when you look at what the statute says and what is our ability in the contract.

MR. RODRIGUEZ: I'm going by what you provided us. Point number 4 in your summary on page 9 of your summary today, your submittal in our binder today says: The department may not restrict the vendor's plates, background color and pattern combinations except as determined by DPS as necessary for law enforcement purposes.

So I'm suggesting to you that standardization is a requisite in today's time, that is a law enforcement requisite. That's what I'm suggesting to you. Somebody may differ with me but I'm just telling you. You said, what, 41 percent plus 29 percent, 70 percent of the license plates have come into play in the last year and a half, two years or so. We're shipping these things out the door as soon as we can get them. And that's okay, I'm just saying why can't we have a standard by which that can happen.

MR. ELLISTON: We'll do some more research on that and see what we can come up with to see if we could build a standard. I'm concerned, as I look at what the statute says, that other than DPS setting the standard, I

guess we could go with that route and say: DPS, tell us what the standard. But that's going to be real difficult but we'll certainly do the research and get back with you on that, see what we can come up with on setting a standard.

MR. VANDERGRIFF: I think you are trying, though, in certain areas with the anti-counterfeit and the readability enhancements that are under consideration. Are you not trying to address in the way you at least appear to think we can do it given the statutory requirements to be fully supportive of the vendor. Some of these will enable law enforcement to quickly tell if this is a counterfeit plate or not, at least. It's a recognizable Texas plate, it not necessarily the numbers.

MR. ELLISTON: And we do have standards, and the standards are about readability and legibility, the things we went over a while ago, and then features that we can install on the license plates as far as though standards go. What the license plate looks like, it has to be identifiable as a Texas license plate, but what it looks like as far as is it black, white, is it all over where the numbers go on it, I believe we're going to be pretty restricted by the current statute in that regard.

MR. VANDERGRIFF: But you have made changes in the fact that we're removing the specific state name.

MR. ELLISTON: Right. It has to have "Texas" on

1 it, it can't have "Oklahoma" written across it, those sorts of things, and I believe we do have a font size for the 2. Texas, it's going to look a little different but whether 3 4 it's black or white or how it's listed up there, but as far 5 as how the coloring goes on it and what the plate looks 6 like, the full color design on the background and all, I 7 think we're hampered by the current statute. 8 MR. RODRIGUEZ: And I disagree with you on that, that's my point, that's all I want to say on this. 9 MR. ELLISTON: I'll be happy after this meeting 10 we'll get started on that, I'll get in contact with you and 11 we'll start working that real hard to see is there some 12 other more restrictive standard that we could use. 13 14 MR. VANDERGRIFF: And you do expect to come back 15 to us at some point with a rule but the requirement would have to pass law enforcement tests and the like. Correct? 16 17 MR. ELLISTON: Yes, sir, that's correct. MR. WALKER: Is there a standard that says 18 "Texas" has to be written on the top of the license plate? 19 20 MR. ELLISTON: Yes. 21 MR. WALKER: But we don't have a specific font size? 22 23 MR. ELLISTON: I don't have that right here on 24 the tip of my tongue, but I believe that we do have a

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standard where it does have to be a certain size.

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MR. WALKER: It's not standard on those. Look at that one on the right corner. It's a whole lot smaller down there than it is on the rest of them.

MR. INGRAM: Perhaps there's a minimum size?

MR. ELLISTON: I'll get that information for you.

I believe there is at least a minimum size on there, but

I'll get that for you.

MR. VANDERGRIFF: That has three different sizes.

MR. ELLISTON: Any other questions on this one?

MR. VANDERGRIFF: You're still up. We're on 4.B.

MR. ELLISTON: Another subject that the board has been interested in is also our e-View process where we put the license plates out for e-View and people have the ability to make comments regarding the license plates and tell us whether they like it or don't like it. So I thought I'd walk you very quickly through this process, and we have a couple of recommendations for you on that.

The first thing a person sees when they go to our website, this is our main page, if there's an e-View up for consideration, that's put on our front page. They click on that if they want to make a comment on the plates. It gives them some information there, asks them to click on another button to see the designs, and then this is what they see when they get to the design. It has the plate designs on there and then has a place for them to say I like it or I

don't like it. We don't consider this necessarily a vote, it's just getting information from it: I like it/I don't like it. And then they submit their information on there.

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If they want to make a comment, they can do that. They have to give us at least their name and email address and then they can leave us a comment. When they leave this comment they get an email response back that says thank you for your comment on the plate. If they ask any other question in there that's not necessarily tied to these plates but they say, Oh, by the way, I want to know how do I register my car, that will then be addressed by someone and they'll be contacted via email back to give them the information they're looking for just as a customer service type thing that we do for them. Then it goes and it tells you your name and what you've done there on the website.

We believe that this e-View gives some benefits. One is it engages the public in a review process that shows them that there are new plates coming up, and it allows them to share their opinions. Again, we don't consider this necessarily a vote, it's just their comment I like it/I don't like it, and if they want to write something they can.

And also, these comments could impact plate design. If they told us something about the plate that we thought was not appropriate that was on the plate that we didn't catch, it would give us an opportunity to have many

more people looking at it saying here's an issue. I think some years back they actually had one where there was a flag used on a license plate, that flag was offensive to a lot of veterans in the country and that was corrected before it actually got out to the public. So those are the kind of things that we believe it would be of benefit.

Now, to give you a little bit of statistics, there was a lot of discussion about how people are commenting and so we broke it down, we could measure it by IP addresses. So the blue bar there shows you all of them that came in from a unique IP address and then the total opinions. So you can see some IP addresses are giving multiple votes. Now, some of those could be if I have an IP address in my home, my wife may want to vote, I may want to vote, so you could get multiples legitimately there from that process.

MR. VANDERGRIFF: If I'm understanding that correctly, the vast majority of them are unique.

MR. ELLISTON: Well, we're going to get to another slide. That's pretty close, yes, sir.

MR. RODRIGUEZ: What's the average repeat? In the March '11 stat you've got 2,200 unique IP addresses 2,900 votes, so that's almost, what, 40-some-odd percent.

MR. ELLISTON: Yes, sir. And I've got another slide here that's going to break that down for us a little

bit more.

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MR. RODRIGUEZ: Do you know what the average is of all these months? That's about 40 percent, 30-40 percent. The April '11 that's about 20-some-odd percent repeat visit, May '11 that's 16-17 percent, more or less. I'm just wondering what the average is. Do you know what the average is?

MR. ELLISTON: I'll think I'll answer that for you here just pretty quick.

Multiple opinions and frequency here, what this slide shows you is that on 1,431 hits there were two votes made. As you go down the scale you can see that actually one IP address on the very end submitted 51 different opinions. So what it shows us is we're not getting a real scientific good look at what people are doing there. I think this slide is probably as telling as anything that we look at.

But then when you go in and look at where the source is coming from, business or government or residence, this could be causing some of it too because if a business or a government agency has a particular IP address, they have 1,000 employees and that 1,000 employees go in and vote, it's skewing it pretty significantly, depending on residential or government or business.

MR. WALKER: So 53 percent of your responses are

1	coming from business or government addresses?
2	MR. ELLISTON: Business or government, yes, sir.
3	MR. WALKER: I guess that's .gov is how you
4	identify that?
5	MR. ELLISTON: Well, it could be a gov.state.tx,
6	whatever, that sort of thing.
7	MS. RYAN: And my understanding and I'm not an
8	IT expert is that each individual computer has an
9	individual IP address, it's not a URL type situation or
10	email where it's .gov. If I own a company, I have four
11	computers, each one of those computers has an individual IP
12	address. No? Our IT expert is shaking his head no.
13	MR. ELLISTON: My understanding is this is
14	basically the URL where it's coming out of, so it's not
15	telling us what computer but it's telling us what location.
16	MR. RODRIGUEZ: But it's possible to take it down
17	to there, we're just not doing that.
18	MR. ELLISTON: We're not doing that.
19	MR. INGRAM: I'm sorry.
20	MS. RYAN: If I have a company and I have a
21	hundred computers, I can get to the fact that you sent
22	something in. I know it can be done because we can identify
23	things like that. Right?
24	MS. RYAN: So it can be done, we just don't have

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the ability?

1 MR. GORDIER: It's a definite maybe. businesses will put their IP addresses of their internal 2 users behind a firewall and they will do what's called map 3 4 the address. MR. BRAY: Now that you've entered in, will you 5 6 please address the board by identifying yourself? 7 MR. GORDIER: Yes. My name is Gary Gordier. I'm the chief information officer for DMV. 8 9 Most businesses will have a firewall and they will hide their internal IP addresses behind that firewall, 10 so in terms of what is coming out will always be one IP 11 address assigned to the web server that everybody is going 12 That's why businesses will tend to have a lot 13 through. 14 of -- if you're looking even at just IP addresses, you'll 15 see that everybody that voted will show as one IP address. You don't have to but most of them do it that way. 16 17 MS. RYAN: The company can identify it, but 18 outside looking in, we can't. MR. GORDIER: Correct. 19 20 MR. INGRAM: That's right. And so just as a 21 point, Google, when you do a Google review, it knows only 22 that you're from that same business so that you could get 50 23 Google reviews from one business, it's only going to take

MS. RYAN: So I had the internal understanding.

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one because it only sees that one primary IP.

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Thank you. That helps.

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MR. ELLISTON: So kind of the point as we're moving forward here, it's not like we can sift through this and measure it in great detail, but in doing this process we do think there are some pros and cons.

The pros are the customers who share a computer can each provide their opinion, and this is as far as allowing the same address to vote multiple times. We could close that down and say it could only come in one time, but when you're getting that much percentage out of business and government offices, that could be a potential downside of people actually being able to because they're doing it while they're at work, I'm sure on their break or lunch hour.

MR. VANDERGRIFF: Pardon me for jumping in. Can you identify the businesses that participate without the individual IP addresses?

MR. ELLISTON: We have the URLs of where they're coming from is how we compiled this information.

MR. VANDERGRIFF: So you can note if a particular agency or business.

MR. ELLISTON: Was doing a lot of it, yes, sir.

The next individuals who click submit their eView, if they do it in error it will give them an
opportunity. If we had it to once it would lock them out,
they couldn't come back in. I don't know how valuable that

is because they'd have to vote twice to offset their first vote. So like I said, it's not real scientific.

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The cons is it's not very reliable data. The results can be skewed by groups of people going in and trying to vote multiple times.

The average number of opinions compared to Texas population. Of the votes we're getting, when you look at this graph, we're only getting about .02 percent of the people of Texas actually take advantage of this, so that's not statistically significant enough people to draw any kind of conclusion, in my estimation, about is this a good plate, they like it/don't like, approve/don't approve. And I'm talking about for the board's purpose of making a determination, we're not getting enough sampling here to really mean much.

So the staff recommendations for you to consider are: one is to continue to post e-View to provide the public visibility as we propose new plates, but the second one is that the information not be formalized for the board review since the sample is not statistically significant for your purpose. So I don't think this process was ever originally intended to be used for the purpose of voting up a plate or voting down a plate, it was really to give the public an opportunity to see what we were doing, transparency, giving visibility into it. And it would

continue to be that way, and if anybody had some real hot issue on a plate, they could come to the board meeting and stand before you and register their complaints or whatever.

MR. WALKER: So why make a comment if nobody is going to read it? Who's going to read their comments?

MR. ELLISTON: Well, the staff, we read every one of those that come in, and so they could provide us with a piece of information that might make us go back and look at that plate and say, Hey, this is an issue, we missed this, law enforcement missed it, everybody missed it, that there's something about this plate that might would be offensive to someone so that we might would want to take a look at it.

And it does put it out there as far as the comment. If they ask anything else, we address that with them. Sometimes they ask us other things on there and we go back and address that.

MR. INGRAM: Maybe the more relevant question is why include it in the board packet.

MR. ELLISTON: That's one of the recommendations here is to no longer do that, that we would use it for internal staff review to help us in the process of getting the plates to you but that it wouldn't be something you would see or look at each month and have to wrestle with does this mean anything.

MR. RUSH: Unless you found a hot button.

1 MR. ELLISTON: If we found something in it we would address that before the plate ever got to you, and if 2 it was extremely hot, we would bring that to you and give 3 4 notice: Hey, there's an issue here. MR. RODRIGUEZ: Is there any feeling on the board 5 6 about that? I mean, I think we should just defer to staff 7 and whenever it's relevant for board's interest bring it up, otherwise --8 9 MR. WALKER: Save the trees. Right. MR. RODRIGUEZ: 10 And you'll see the plates. 11 MR. ELLISTON: still have the approval or disapproval on the plates, but 12 this e-View process, which is not very scientific, is really 13 14 more for staff use than for board use, in my estimation, and 15 that's why we bring that recommendation to you. MR. RODRIGUEZ: And we asked for this information 16 17 at a meeting or so some months ago. 18 MR. ELLISTON: Yes, sir. MR. RODRIGUEZ: And now we know this and all the 19 20 other stuff, so the question is do we still want it. 21 MR. VANDERGRIFF: It doesn't necessarily have to be but why don't you just make a motion to the effect. 22 23 MR. RODRIGUEZ: Just defer to staff to present as 24 they feel so. MR. WALKER: Does it really to take a motion? 25

MR. VANDERGRIFF: Not really, but that makes it formal from the standpoint of our board and they've got a record that we've indicated we'll just defer it. We are responsible for reviewing all of these plates and getting all the information.

MR. WALKER: Well, doesn't the statute require that they put plates out for public comment, though?

MR. ELLISTON: No. The statute says that we may not post it in the Texas Register but we may put it on our website.

MR. WALKER: May.

MR. ELLISTON: Yes, sir. And we will continue to do that, this is whether or not it comes to the board, and my understanding was this was that when the agency, I think, was originally formed that they asked that they wanted to see everything, so that's why this was included. And so that's why we're here today, if the board no longer wants to see it, we'll be happy not to provide it.

MR. VANDERGRIFF: And I think I would be more comfortable with a formal motion because when we started this process a couple of years ago we did say we wanted to see everything.

MR. RODRIGUEZ: Before I go there, Mr. Chairman, a question with regard to Board Member Walker's question.

He said he thought the statute required that we comply with

this process, and you said no. My question is in your summary points, according to our governing law right now, you say that one of the points is the department will post proposed plates for public comment. Is this what you're using for that public comment, or are you saying prior to the adoption process that you're posting that we're meeting that requirement?

MR. ELLISTON: I believe we would meet that requirement prior to posting of the plate. If we put it on our website, that's what the statute says we may do is put it on the website. Apparently at one time all the plates went through the Texas Register so there was a long delay period.

MR. RODRIGUEZ: But it goes to his question, he asked you are we doing this public posting to meet statutory compliance.

MR. ELLISTON: I do not believe that we're statutorily required to make this e-View posting.

MR. RODRIGUEZ: Okay, let me rephrase that. Are we doing this to meet the requirement for public comment.

I'm not saying that the statute says we post this e-View process, I'm just saying are we doing this to meet the public comment requisite in the law now. Is that what we're doing? I think that's what he asked.

MR. ELLISTON: And forgive me, I'm not -- my

1 understanding was the statute we may do that, I didn't know that we had a requirement that we put it for public comment, 2 but even if we do, this process would still meet the public 3 4 comment piece. MS. RYAN: The information here states that the 5 6 criteria that we'll make decisions on, one of them is it 7 will post for ten days. It's one of the items given to us as criteria. 8 9 MR. ELLISTON: Then that would be in the agency's rule and not in the statute, and this would meet that 10 because it will be posted for at least ten days prior to the 11 12 board. 13 MR. RODRIGUEZ: So we're back to the question as 14 to whether or not we want that e-View data here, and Mr. Chairman, I move that we defer to staff on those matters. 15 In other words, what I'm saying is that whenever they feel 16 17 that something has come across in the e-View process that 18 merits our attention, so do it, otherwise, not so. Would that be okay? 19 20 MR. VANDERGRIFF: That's a good motion. Do we have a second for it? 21 22 MR. RUSH: Second. 23 MR. VANDERGRIFF: Mr. Rush seconded. Any further discussion? 24

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(No response.)

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1 MR. VANDERGRIFF: Please raise your right hand in support of the motion. 2 (A show of hands.) 3 4 MR. VANDERGRIFF: The motion carries unanimously. Thanks. 5 MR. ELLISTON: I think I have one more item on 6 7 the approval of specialty plate designs. Before you today the state specialty plate vendor is requesting approval of 8 9 eight specialty plate designs that are included in your briefing book. These plate designs have been published on 10 the department's website for public comment; those comments 11 are also included in your book. In addition, the plates 12 have passed the legibility and reflectivity testing. Staff 13 14 offers these up for your approval today. 15 MR. WALKER: These are all My Plates plate designs here? 16 17 MR. ELLISTON: Yes, sir. 18 MR. RUSH: Let me just ask a question. Basically the Texas is the most required thing except the way the 19 20 numbers are laid out and the colors and all that stuff. The 21 bottom of the plate can have whatever you want. 22 MR. ELLISTON: Yes, sir. They can put other 23 things on the bottom. 24 MR. RUSH: I just want to make sure that was 25 right.

1	MR. ELLISTON: And these plates are here before
2	you today for your consideration, and we ask that you
3	approve.
4	MR. BUTLER: I make a motion we accept those
5	plates.
6	MR. VANDERGRIFF: We have a motion from Mr.
7	Butler. Do we have a second?
8	MS. RYAN: Second.
9	MR. VANDERGRIFF: Second from Ms. Ryan. Any
10	further discussion?
11	MR. BRAY: Bear with me one second. The "Always
12	One of a Kind" is not up there. Right?
13	MR. VANDERGRIFF: Yes. The "Always One of a
14	Kind" is not up there. We probably should have noted in the
15	motion that on our agenda item we do have number 1 there was
16	"Always One of a Kind" and it has been stricken I don't
17	think it clearly noted that on the agenda, but that is not
18	part of the discussion.
19	MR. ELLISTON: That's correct.
20	MR. VANDERGRIFF: We have a motion and a second.
21	Please raise your right hand in support of the motion.
22	(A show of hands.)
23	MR. VANDERGRIFF: All those opposed.
24	(A show of hands.)
25	MR. VANDERGRIFF: Motion carries of those present

1	here today six to one.
2	MR. BRAY: Sorry. Could you help with that vote
3	again?
4	MR. VANDERGRIFF: The motion carried six to one,
5	and Board Member Rodriguez voted against it.
6	I do want to note that we've been talking about
7	the specialty plates and we will, when Linda Flores comes up
8	under the staff reports in part of the monthly financial,
9	have a brief graph with respect to My Plates. And then I'm
10	not sure, Steve Farrar is here, if you wanted to comment on
11	that or if you want to comment on these now that they've
12	been approved.
13	MR. FARRAR: (Speaking from audience.) I can
14	wait.
15	MR. VANDERGRIFF: Okay. That's what I figured.
16	We are item 4.D which is an Oversize/Overweight
17	Advisory Committee report from Mr. Walker.
18	MR. RODRIGUEZ: I would like to know why Mr.
19	Walker is on the Oversize/Overweight committee.
20	MR. WALKER: I missed that.
21	MR. VANDERGRIFF: He wanted to know why you were
22	on the Oversize/Overweight committee.
23	MR. WALKER: Because I need to lose some weight.
24	MR. RODRIGUEZ: That's not a committee I would
25	wan to be on.

MR. VANDERGRIFF: Mr. Walker chairs that committee.

(General laughter.)

MR. WALKER: The Oversize/Overweight committee, we have met one time, we went and viewed TxDOT's facilities over there for the Oversize/Overweight Division, looked at the different programs that are coming up in the new TxPROS system, we got a briefing of the new TxPROS system. And we had a conference call yesterday, we have reviewed the MOU and we would like to take and we've got comments that were made, we'd like to present those back to staff attorney which is Aline, and I'm going to meet with her this afternoon to make some recommendations on a few tweaks in the MOU, and we'll be finished with the MOU process and be ready to present that to the board, I guess, at the next meeting. Is that correct, Aline?

MR. BRAY: That may or may not be correct. We're in negotiations with TxDOT and what Board Member Walker and Ms. Aucoin put together today, will be floated to TxDOT and negotiations will continue. I can't tell you when it will be ready, it's somewhat dependent on them.

MR. WALKER: We have a deadline that it has to come, Mr. Bray, I think, before the next board meeting in order to meet the expectations of the law.

MR. BRAY: No, sir. The law requires that the

1 Oversize/Overweight permit process transfer on January 1, 2013. 2. MR. WALKER: And if we back that up, it has to be 3 4 approved by the Comptroller's Office, is that not correct, and that will take at least two weeks? 5 MR. RODRIGUEZ: You said 1/13? 6 MR. WALKER: He said '13. 7 MR. VANDERGRIFF: 1/12. 8 MR. BRAY: The Legislative Budget Board authors 9 interagency MOUs. 10 MR. WALKER: And so that will take how long? 11 MR. BRAY: Probably not too long, based on past 12 experience. 13 14 MR. WALKER: So the MOU would have to be approved 15 by this board prior to sending that to the Legislative Budget Board. Is that not correct also? 16 17 MR. BRAY: Not necessarily. It could happen in 18 tandem, we could obtain their approval subject to your approval. As a matter of fact, we probably would want to 19 20 get our ducks in a row and not bring something to you that wasn't ready to be finalized. 21 22 MR. WALKER: Well, when do you anticipate that we 23 should have an MOU prepared and ready? 24 MR. BRAY: I anticipate it being completed, as

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you say, by the end of this month. I am concerned about

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1 putting out any guarantees that that will happen. 2. MR. WALKER: Well, I'm not quaranteeing anything. I can't control TxDOT, but I can tell you that our advisory 3 4 committee has some comments that were made at an advisory committee level that we would like to go back to our staff 5 6 with in order to tweak the MOU from our side and re-present 7 that back over to TxDOT. MR. BRAY: That's great. That's not what I 8 9 understood you to say earlier, but that works for us. MR. WALKER: That's why I'm meeting with her 10 today is to take a tweak a few things that we found in the 11 12 MOU that we think need to be changed in order to benefit 13 this agency. 14 MR. VANDERGRIFF: Since we are on this topic, it ties into 5.D, the 2012 Motor Carrier MOU. Is there 15 anything further to add on that portion, Mr. Bray, from 16 17 staff's perspective other than the process is ongoing? 18 MR. BRAY: I think you've got a good flavor for where it is and how it's proceeding. 19 MR. VANDERGRIFF: All right. 20 MR. WALKER: And that's where we are on the MOU. 21 22 I think that's all that needs to be done is to finish that 23 up. 24 MR. VANDERGRIFF: Board members have any 25 questions?

MR. RODRIGUEZ: Mine was answered, Mr. Chairman. (General laughter.)

MR. VANDERGRIFF: The next item on our agenda is 4.E and it's a legislative implementation progress report.

Mr. Kuntz is coming up. I think every board member will recall that the staff gave a very detailed presentation about all the bills that affected the agency and what we were doing to meet that, and then we just want to periodically get an update to make sure we're on track, particularly now since the fiscal year has started.

MR. KUNTZ: Correct. Jeremiah Kuntz, director of Government and Stakeholder Relations.

When we presented the report at the board meeting in July, we had identified 41 bills that required some action on behalf of the department. At this time we've completed 14 of those bills, all the implementation activities associated with those; 18 bills are currently on schedule, we still haven't hit any deadlines for those, they're still moving forward.

We've got two bills that are not going to require action at this time by the staff of the DMV or the board.

One of those is contingent upon the Comptroller taking some action and we're basically just standing by; if they make a change, then we would take up implementation activities.

The other one is the ABTPA program. That's being handled by

the ABTPA Board and so any implementation activities associated with that would be handled through that staff and that board.

2.

Then there are seven license plate bills that were either effective immediately or had a September 1 effective date. Those license plates are in progress. The RTS system will be updated in a November RTS update and will then become available for the counties to be able to process those license plates. Some of those license plates were military plates. There was one in particular that was a free registration license plate. That one, the Vehicle Titles and Registration Division, if anybody is contacting them about that license plate, they have a process to go ahead and process a license plate for them temporarily until the actual license plate is available through the RTS system.

And then all of our budget bills were completed with your approval of the operating budget, so there's no other action required from the appropriations process.

And then that's really it. You've covered somewhat the Oversize/Overweight transfer in your last agenda item here. There are two other bills associated with Oversize/Overweight permits. One of them there were three permits that were associated with that. We've created a stakeholder advisory group to look at those. We're looking

at whether or not we or TxDOT would implement any of those permits at this time. And the other one had to do with the token trailer fee which is a \$15 fee. That token trailer fee was going away and it was being added to the fee for an Oversize/Overweight permit. That has taken place, so we're no longer collecting that \$15, the Oversize/Overweight permit is collecting that over at TxDOT at this time. It went from \$75 to \$90 in order to capture that permit.

And that's really the extent of what we've got. We've got rules that are ongoing with you, especially from our two major bills, 2357 and 2017. The biggest issue that's probably before us on those is the ID issue. There was also a rule dealing with being able to register or title a vehicle in an adjacent county during a disaster. Those rules are ongoing with the board at this time. So I'm happy to take any questions.

MR. VANDERGRIFF: Any questions?

MR. WALKER: Yes. In the Oversize/Overweight that you were talking to about the three permits and that we needed consultation on, are you talking about the Port Authority permits?

MR. KUNTZ: No. These were three permits. One dealt with extra-long and wide loads that could be done in multiples. We had an issue actually the previous session with a carrier that was carrying very large, very long power

line poles to build the generation lines from the West Texas wind farms into the Metroplex. He was having trouble because he was having to get a specific single permit for every single load and he was carrying thousands of these poles and processing a bunch of those. That permit would allow for a single permit to be issued for multiple loads of that same commodity, basically.

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There was also another permit in there dealing with a specific type of vehicle that was a hybrid, I guess, vehicle if it was proven that this hybrid technology would reduce noxious emissions. That permit is being looked at as to whether or not that's something that's feasible or desired at this time by the industry.

And then the third permit was actually related to the first one that I discussed dealing with multiple loads, an annual permit for multiple loads of oversize/overweight.

MR. WALKER: We already have an annual permit for oversize/overweight for multiple loads, do we not?

MR. KUNTZ: I don't believe so.

MR. WALKER: You can buy an annual permit right now that covers any truck in your fleet, I think it's \$4,000, and as long as it meets within the specifications of 14 feet wide by 70 feet long, you can move as many loads as you want annually on that permit.

MR. KUNTZ: This is a permit to be issued in

1 conjunction with an annual permit, it's a single trip permit to be used in conjunction with that annual permit. 2 get more details for you on that if you'd like. 3 4 MR. WALKER: I'm not sure I understand. We can talk about it later, I quess. 5 6 MR. KUNTZ: I can get you more information on 7 that. 8 MR. VANDERGRIFF: Any further questions of Mr. 9 Kuntz? (No response.) 10 11 MR. KUNTZ: Thank you. MR. VANDERGRIFF: Thank you very much. 12 The next item is F, it's the organizational 13 assessment, continuing discussion on that, and I'll turn it 14 15 over to Ms. Ryan. With regard to the organizational 16 MS. RYAN: 17 assessment, we're continuing to focus on the outcome. board met on the 19th with the consultant to be able to 18 understand a lot of the details on the recommendations. 19 The 20 assessment was adopted with the understanding that the board needs to continue the work and prioritize and determine, in 21 working with staff, how to execute it, basically. 22 23 So it's ongoing, we're moving forward.

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the recommendations the board had already started working on

of the items that have come out of it we'll discuss some of

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with regard to governance and strategic planning, and we'll talk to some of that also I believe on another item.

2.

MR. VANDERGRIFF: It's on this one.

MS. RYAN: Right now? All right, perfect. I didn't look at it in detail.

There's a packet, there's four items in that packet, three of which are with regard to the organizational assessment and they are: Board Governance, one titled Texas DMV Goals and Objectives, a.k.a. strategic plan, vision filters and performance measures, there's been a lot of work and discussion on that one; and then the third one is titled Strategic Planning.

The purpose of these documents is to be able to give the board something in writing to be able to overview as a followup to some of the recommendations in the organizational assessment. It was put out for discussion and review. Whatever we can put into place today we'd certainly like to, understanding that there's some additional feedback and comments that we may want to work. The goal will be at the latest we'd like to be able to bring any changes back to the October meeting to be able to adopt any of these documents so that we can move forward with the purpose of giving the agency the direction and the vision and some understanding in a one voice, so to speak, from the board so that they can continue to move forward and meet the

expectations that we have of the agency.

2.

So the first one, I'll start with governance just real quick, it covers the document, it's five pages. I will say that board governance was brought up last fall by Cheryl Johnson and we have taken the information from the fall that she proposed, taken the information that came out of the organizational assessment with a lot of the guidelines to be able to put some guidelines from a governance standpoint from the board's perspective.

Before I move on, any discussion or thought on that one, questions, concerns? I hope everyone has had a chance to review it.

MR. RODRIGUEZ: Supposing we adopt some of these or pass or approve these, just from an archiving standpoint I'm wondering where do these go, as opposed to a rule that we would adopt that becomes part of our TAC stuff.

MR. BRAY: Well, that prompts my question that I was going to ask anyway, and that is has there been any consideration as to whether or not these ultimately become part of the board's rules of practice and procedure.

MR. VANDERGRIFF: At this point I'm not aware of any major discussion on that, but I think the board should certainly have that discussion. This information also should be something that's readily available to the public, and further, which may preclude action today on them is, to

my knowledge, there's not been a significant amount of discussion with staff about it. Now, board governance might be one that -- no pun intended -- isn't governed by that, but certainly the others there should be some discussion on.

2.

MR. BRAY: In an attempt to field your question,
I would venture that if they stay in this form the General
Counsel's Office would still administer them and archive
them like we do the rules.

MR. RODRIGUEZ: But to give it true weight, our best way would be to go through the rules process. Right?

MR. BRAY: Well, a concern that I would have is if some action is taken by the board based on one of these policies and it affects someone, then I can see a potential cause of action claiming that you didn't go through the rulemaking process appropriately. I'm not saying it wouldn't be defensible, I'm just saying it could be problematic.

MR. VANDERGRIFF: That poses an interesting question because at least on the board governance issues that really should be something that we'd be taking out to the public at large to make comments and potential objections to, and I'm all in favor of the public comments, but that may one area where it's a board policy, so we need to have that discussion.

MR. WALKER: Who created all this?

MR. VANDERGRIFF: It was a combination, as I understand it -- I'll let you address that -- between Victor Rodriguez, Laura, who has been spearheading the organizational assessment work, and Cheryl Johnson who participated in that. MR. WALKER: So did they meet and sit down and write this? MR. VANDERGRIFF: No. They went back and forth. MR. WALKER: You're shaking your head no. me what happened. 

MS. RYAN: Well, out of the organizational assessment, board governance was a recommendation, Cheryl proposed it, so we took the document that Cheryl had drafted last fall, recommendations from what came out of the organizational assessment. Julie Beisert drafted a lot of it based on -- in the board governance piece a lot of the recommendations came out of the organizational assessment, so we took that information and combined it with a lot of the other information that we had, there's some policies referenced that have been drafted in the back of it, and then the back and forth was the critiques of it.

MR. WALKER: So what we're saying -- and I'm not critical of it -- Cheryl went out here and dug something up somewhere and presented some of that.

MR. RODRIGUEZ: No. We've adopted a document

before here as board governance.

2.

MR. WALKER: That's why I'm saying why are we changing all of that and where did it come from.

MR. RODRIGUEZ: Well, I'm not speaking for her, but some of it is to me now the new study. But the question I'm drawing here is this: we can do stuff like this today, and say we adopt this and it becomes a document and he files it over there, and what I'm suggesting to you is a more formal way to do this, once we agree on what this is going to be that we adopt it as a published rule. A published rule has the effect of law and therefore we'll work with it that way. That was the question I had on this.

But as to governance, we actually have had a document go through here and we've said yes, okay, we'll do that, and this is a modification of that.

MR. WALKER: And I agree, that's what I'm trying to figure out. Did this come from our old governance rules that we had or is it just totally new? Did somebody just say get out the book or the internet and let's rewrite it?

MS. RYAN: It came directly from it.

MR. WALKER: That's why I said who created the document.

MS. RYAN: The governance that was there has been looked at, there's nothing that conflicts, there is some additional information in this new one that came out of the

organizational assessment, the recommendations, the evolution of the direction of the board, so there's new things in there. The context, the direction and the message is consistent, the wording may be different, and both have been vetted to ensure that there's no conflict or contradiction from what was put in the fall. Does that help?

2.

MR. WALKER: That's where my question goes to: who vetted this and who wrote it?

MS. RYAN: Well, there were multiple people, that's what I said. Julie started it, I looked at it, Victor Vandergriff looked at it, Victor Rodriguez looked at it, and then it was sent to you all on Tuesday to look at it for additional input.

MR. RODRIGUEZ: This is the vetting right now, that is what it's for, this is to try to get a product up here for everybody to start looking at it.

MS. RYAN: What we wanted to do was get a starting point so that somebody could look at it and say we need to delete/add, and start that input process.

MR. VANDERGRIFF: This doesn't have to happen today. You have this, we can either schedule a special work session of the board to cover these documents, or we can bring it back in October. This does not have to happen today. In fact, a personal preference would be that you

obviously study it. But it's an attempt to meet the organizational assessment and the direction this board said last month.

2.

MR. RODRIGUEZ: Just one more thing on this, and just as you know, the way we can lawfully have a discussion about one common thing is this way right here, and that's what we're trying to do is get it to you, take it with you. Now, the question I'm raising is once we arrive at a product we're all comfortable with, then I'm suggesting that we go by the rules process and then have the adoption.

MR. WALKER: I will agree with you, but I think you have to have a vetting of some of this, and I don't know how long we want to spend today. I don't have a lot of concerns on most of these documents as I read these except for the board and the executive director operating procedures. I think there's some things there that need to be looked at and changed.

MS. RYAN: So let's do that during this month and plan to come back in October.

MR. WALKER: But it needs to be presented, apparently, according to Victor, and I will agree with him, at the board, unless I make written comments, I guess, about adjustments that need to be done.

MR. RODRIGUEZ: We still have to agree to post something before we open a comment period up. We're

1	suggesting let's get the work product agreed upon here so
2	that we can say: Okay, let's agree to post these as a rule
3	or a set of rules adopting this. So we're one step away
4	from posting.
5	MR. WALKER: But if we want to make comments on
6	concerns.
7	MR. VANDERGRIFF: I think the comments should
8	directed to Laura, don't reply as a group.
9	MR. WALKER: Comment back to Laura with changes
10	that we would say need to be changed.
11	MR. BRAY: You start running the risk, I think
12	she named one, two, three, four, and when Mr. Walker enters
13	into deliberation you've entered into five outside the
14	public view, an that's a concern.
15	MS. RYAN: Can comments come back to Julie to
16	create a draft to then get back to us?
17	MR. BRAY: Board member communications to staff
18	and staff preparations of a work product is different.
19	MR. VANDERGRIFF: Yes, and I think that's
20	appropriate, so back to Julie.
21	MS. RYAN: So comments back to Julie, she can put
22	them all together, tweak it, get the document back out to
23	all of us to review, make sure we've captured everything
24	that we want to in this.
25	MR. VANDERGRIFF: But again, no voting. It's

just literally to get things on paper and bring it back to us.

MS. RYAN: Back in October.

2.

MR. VANDERGRIFF: And I'm going to suggest, depending on the schedule, I don't know what the work schedule is for the October meeting is at this point, but depending on how heavy or light that is, we might want to have a separate session for this, not just this but these other documents as well, a couple of hours for discussion.

MS. RYAN: The purpose was always to get additional input but what we wanted to do was create a starting point.

MR. WALKER: So I guess where we're at right now is we've all hopefully looked at these documents, somebody has some concerns maybe about how we're going to do some of this stuff, and we should make those comments at this point going forward to Julie, she would bring those comments back to your committee --

MR. VANDERGRIFF: There's no committee. Get them back to the board.

MR. WALKER: She's going to bring those back to the board then. And then the board would say: Johnny made a comment that he doesn't like the fact that he has to call the executive director in order to call randy Elliston to take and talk to him about an issue with a plate.

1 MR. VANDERGRIFF: I think Johnny just made that 2 comment. MS. RYAN: I was going to say. 3 4 (General laughter.) MR. VANDERGRIFF: But having said that, this is 5 6 the discussions that we would have in open session with the public involvement. She would merely be gathering the data 7 8 to bring it back to the board. MR. INGRAM: So what are we asking to do now with 9 these documents? Are we asking to actually do something 10 with these documents? 11 MR. VANDERGRIFF: It was merely a briefing and a 12 possible action, and I'm basically taking from the 13 14 discussion so far, we can continue to talk about them, but 15 that it's probably better that the entire board -- plus we have two members not here, and I do want to note that 16 17 although the vice chair has certainly seen these and had comments on them, certainly her preference was to be a part 18 of the discussion. 19 20 MR. WALKER: I can believe that. 21 (General laughter.) MR. VANDERGRIFF: And she's not here, so I want 22 23 to make sure I note that, and we'll have one new board 24 member joining us, so it's probably appropriate to take

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these under advisement, get comments back. I have my own

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comments that I'd like to make that I haven't yet. So I think that's probably the best way to go.

2.

But the bigger question, I think, from a planning perspective is if the board does want to do as Chief Rodriguez has suggested and that is actually send these out for comment from the public, that will elongate the process by a while, and I'm okay with that, but we have to think about that because that would literally, assuming we adopt something in October -- correct me if I'm wrong -- I don't know that we could immediately then take it directly to publication, or could we?

MR. BRAY: We can. It's an expedited process but we can do it. It's more on you than anyone.

MR. RODRIGUEZ: And if we're going to go down that path, then the format may be different as opposed to this format, that's what I'm saying, it would be a rules format.

MR. VANDERGRIFF: Right.

MR. WALKER: When I read this, I don't see that a lot of this is rules. I mean, it's suggestions. A lot of it is like hey, you're expected to be at a board meeting. There's just simple comments in there that are common without rules.

MR. VANDERGRIFF: The other downside potentially to rules -- correct me if I'm wrong -- is that then if we

wanted to veer from something on this, we have to go back.

MR. BRAY: And I haven't seen these documents before this morning, but to the extent that it's what he's suggesting, it's guidelines about you should attend board meetings, that's probably not rule-worthy. But to the extent that there's more substantive material in here, statements of policy are what the legislature intends to be encompassed within rules.

MR. INGRAM: You might find that there's a little bit of both.

MR. WALKER: There's a lot of stuff in here that is not rules, that you show respect to other board members, that you don't raise your voice. I mean, do we want those kind of things in rules?

MR. RODRIGUEZ: Two things. One is it doesn't have to be a rule. I'm suggesting that if it's going to be a rule, what I'm saying to you the format and the style would probably change. It will also be a lot more concise than this if you're going to go down the rule process. And what I am trying to tell you by suggesting we go down the rule is to force that and that is to force us to narrow this down to broader, shorter pieces of regulation that we can work with, as opposed to a long list of stuff.

MR. WALKER: Well, there's a lot of duplication in here, I mean, a whole bunch of duplication in all the

different deals.

2.

MS. RYAN: And some of that was we accepted in the fall, so again, we started with that as a base, we go to a rule and we make it more concise, then this would be that kind of feedback that we want to say: Okay, let's take those things out, make it more policy, make it rule. But those types of decisions had to be vetted in this type of discussion.

MR. WALKER: I mean, we go into the vision, the mission, the retail approach to this, I bet the word "retail" is in there 20 times, not that it's wrong, but I'm just telling you there's just lots of duplications throughout all these documents.

MS. RYAN: I just wanted to make sure it got through.

MR. WALKER: I got it.

MR. VANDERGRIFF: I think that's a byproduct of different people posting comments and nobody voted or got together and consented on anything, I think Julie just took everything and stuck it on a piece of paper.

MR. WALKER: And we could reduce this to half its size, I promise you, by just taking the duplications out of what I read.

MR. VANDERGRIFF: I would agree with you.

MS. RYAN: It's not one person's decision to

decide what comes in or out, that's why it's before the board to make that decision.

2.

MR. WALKER: And we start each one of those documents with this is a young agency and that it's a new agency, and that it's retail functions and it's got a vision and mission, and just duplication after duplication I read, and I could have reduced this to probably ten pages instead of forty.

MR. RODRIGUEZ: With that Oversize/Overweight stuff.

MR. WALKER: It didn't even get mentioned in there.

(General laughter.)

MR. VANDERGRIFF: And also, one other point which I noted earlier -- and Mr. Bray pointed out he had not even seen this until this morning, I think it's kind of hot off the press -- that we do want, in my opinion, and I think the board would agree, that these documents also need staff discussion and involvement as well.

MR. RODRIGUEZ: But at a minimum it allows us to start pointing out things, and that's where we want to go with this.

MR. WALKER: Absolutely gives you a guide on how we're going to operate. But I just don't believe that this is a rulemaking process that needs to go through public

comment. If you've read the documents, I don't think you'd want that to go out in rules, to be honest with you.

2.

MS. RYAN: If we changed it to condense it to be more policy-driven, then you would want it to go. So if that's the direction, then the document would change format but not context and it would be more concise. If the board decides that we don't want it to go out, then the direction changes, and those are the types of things we needed to get out of this meeting.

MR. WALKER: There are a lot of things in these documents that you do not want put into rules about how we conduct our business. It would restrict how this board could operate.

MS. RYAN: So the question is do we take it out of the documents and make it rule, or do you not make it rule and leave it in?

MR. VANDERGRIFF: What I'd like to suggest, perhaps, is that Mr. Bray and his staff, not that they want more work, but work with Laura and Julie just kind of going through if you took this in its raw form, not saying that's what it will end up, but what would be appropriate for a rule and what would be something that's more operating procedures and too broad. So that would help narrow it.

MR. WALKER: You don't want to restrict the functionality of this board by rules, and I'm telling you,

some of this does that.

2.

MR. VANDERGRIFF: I do want to note and appreciate Julie's efforts on this, as well as Laura Ryan's efforts. She's continued to spearhead getting this organizational assessment process moved forward, so I appreciate that.

MS. RYAN: Julie has done a tremendous job with this and keeping us all focused.

Are there questions on any of the other two documents?

MR. BRAY: I've got two small thoughts. We need to keep in mind that the functionality of the board is restricted in this sense, not in the sense of whether you call a division director versus somebody else, in the sense of state law requires you to not operate like your private board of directors. So you've got to keep that in mind that when you start getting into policy of a bunch of state officials, there is some restriction on functionality, number one.

And number two, just for the record, I am confident that Mr. Walker has never been overweight without a permit.

(General talking and laughter.)

MR. RODRIGUEZ: I think we're all saying the same thing. I think that my reason for raising the rules

question is that it would change this into more policy type statements as opposed to this right here, and then we could work from that. But I agree with what's been said here today. Thank you, Laura.

MR. VANDERGRIFF: So this will come back. We may look to schedule a specific work session on this so we'll get with you, but this will come back. I know that Mr. Butler can't be with us in October.

MR. RUSH: I can't either.

MR. VANDERGRIFF: And you can't either. So we're missing two, so we're going to have to figure out how we can put this together where we have all of us present, but we will do that. The key thing for us is to keep this moving forward, the momentum that we all wanted to maintain out of the organizational assessment that we move forward with that. We'll also look to schedule time, I'll leave that somewhat to you, Laura, to schedule time to get staff comments on this as well.

And certainly these documents will be available to the public, if not already, they'll be available at the conclusion of the meeting, but do recognize these are in raw draft form with different people having put different input in, and it's more of a post it and put it on a piece of paper versus being a final policy.

MR. RODRIGUEZ: Just one more point, Mr.

Chairman, if I may. Notwithstanding the fact that we're not doing anything with them today it doesn't mean that these can't serve to point the department and staff.

2.

MR. VANDERGRIFF: Absolutely. That's a great point. I think they do reflect a direction that this board has indicated in the past that they wish to go, and so I do think that they are directive of that.

MS. RYAN: Can I make a comment?

MR. VANDERGRIFF: Sure, please.

MS. RYAN: To that point real quick, as you look through the one titled Goals and Objectives, if you get to the second page, we call it Goal 1, you can call them visions, you can call them expectations, but one of the things that the board definitely needs to come to agreement on that the purpose of this document was to get to was to create very clear, high level expectations, visions, goals that we could put out so that the agency and the staff and the leadership can start to enact in working towards those goals.

The three that we basically boiled them down to with input was: performance-drive, innovative and economic development, and customer-centric focus, and those basically came out of the presentation that was done by Victor Vandergriff last fall that we all reviewed and as a group said we adopted that that was the direction of the agency

that we wanted to move forward with. And what we've tried to capture in this document is to condense those to a point where the staff could say I need to do things that focus on that direction.

2.

So as you look through that, that was the desire of this document, so with that in mind, as you filter it and get feedback, if those need to change let us know, but also from a content standpoint, that was what we wanted out of that one too.

MR. RODRIGUEZ: Just one more point to that, and that is some of that is also in the Sunset report that started all of this, so we're driving, I guess, from that point is what we're saying. A lot of this, if you go back and look at the report, you'll find that that's the way it pointed us and now we're trying to point this agency in that direction.

MR. VANDERGRIFF: Mr. Ingram.

MR. INGRAM: It appears that we're trying to stay pretty high level, though, on the goals. I mean, we're not trying to get down into specifics very much. Are we trying to eventually get there?

MR. VANDERGRIFF: At least from my personal perspective, I think that in general we are a policy board and so we can help establish the menu, but the staff needs to bake the items on the menu and so I think we need their

involvement in that. This is, as I see it, goals and then these objectives are targets or boundaries in a very broad sense. This is not addressing yet, even though we kind of mentioned that, performance measurements. It's really not addressing specifically how there is a performance measurement and we need to marry that, if you will, with what the state requires from us with also what we think from an operational perspective, staff and board thinks this agency should be geared towards.

2.

So there is a document to come or a process to come which would be more specific. Does that make sense?

MR. INGRAM: It does. So basically, while reading this and while reading through the objectives and goals, it would be good to be thinking in the back of your head how do you measure that.

MR. VANDERGRIFF: Right. But that's also what we would judge with the staff to do that as well.

And this, at least, again, I think with the board's agreement with this, but certainly from my perspective it's got to be a collaborative process. We are a team here, not only of board members but the staff as a whole and the industries that are involved with us. And I know they're not shy, they will certainly weigh in with any comments if we're giving them that opportunity. I see some grins in the audience there on that one.

Any further discussion on this at this point?
(No response.)

MR. VANDERGRIFF: Okay. This will come back, it will be a big item for us to move forward on, if not at the October meeting, at a special meeting so we can move this forward, and we'll look for a date to do that.

MS. RYAN: And the feedback will go back to Julie.

MR. VANDERGRIFF: Yes, and obviously any feedback. Please, I would encourage everyone to get that feedback to her sooner rather than wait until three or four days before the next meeting which I know is a tendency, me included, we sometimes get to.

I'm going to pass at the moment on items G through J. We're going to have an executive session here shortly and I think we need to have that first before we come out and talk about those four items, and we'll formally announce that in a minute.

But I'll deal with one more item here. Actually,
I want to deal with 5.A first before going to K, and
basically tell you other than handling inquiries regarding
when we might vote on the Sons of the Confederacy plate, the
retirement of the executive director, and the usual requests
for interim charges, we've really not had a lot of detailed
activities in any of these categories under the Chair

Reports.

2.

But I do want to note one thing that's very important in the context of the previous discussion and that is that I hear constantly, and particularly in light of the issues I've just mentioned to you, from our stakeholders outside that this agency and its staff are reaching out to be customer-centric, reaching out to how can we help you build your business, and not reaching out in a punitive manner or a secretive manner, we're very open and transparent. We're getting very high marks for that, and I want to acknowledge that to the staff that we very appreciative. So I think they are hearing the direction and have been for quite some time and working towards that.

The last that I want to cover before we go into executive session is item K, and to tell you that with all the things going on that this particular specific Motor Vehicle Advisory Committee which will deal with primarily ongoing issues for Motor Vehicle and specifically license issues, that because -- and I'm going to ask Molly to come up -- because of a special committee we've really not had the opportunity to spend time on this. Mr. Ingram, we're going to have a new board member, and Ms. Ryan will certainly be involved in this, and so we'll bring this back to you in detail for the more ongoing committee and we certainly want the input from stakeholders about

appointments to this committee, which we'll formalize that process as well so we'll get back to you before October.

But I think we want to talk about the one committee meeting that we did have.

2.

MS. COST: Yes. For the record, my name is Molly Cost and I'm the director of the Motor Vehicle Division for the agency.

Real quick, off the cuff comments. On Tuesday afternoon of this week, the Senate Bill 529 Advisory

Committee and work group met in this room. There are 14 people officially appointed to the advisory committee, a couple of them could not attend, and then there were probably another 20 people or so in the room that came to participate as work group participants.

The staff had prepared some issues for discussion, some things that we had identified with regard to Senate Bill 529 that we felt needed a little more clarification or just had questions about. The focus was trying to determine whether or not rulemaking was needed to help clarify and implement this bill. We met from 1:30 to 4:30, did not get through all the issues, and everybody in the room seemed to be amenable to coming back at another time, starting earlier in the day, and trying to get through the rest of them.

I thought it was an excellent discussion, we got

a lot of input from people from the manufacturers' side, from the dealers' side, from lawyers that practice in this area. Several questions were answered and several more were left.

2.

Mr. Ingram and Ms. Ryan are both on the advisory committee and they, of course, were there and participated. We haven't had time to put together all the notes to come back with an official executive summary for the board, but we will do that at a later board meeting, it may be October, it may be November, depending on when we're able to schedule the second meeting and kind of finalize those issues. But it was a really great process and I think we're going to have some excellent rulemaking out of it.

MR. VANDERGRIFF: I personally want to applaud the staff and the industry for doing it. I know a more typical approach would be to let things wind through administrative judicial interpretation or to have a formal rulemaking process, and all that will, of course, still probably occur at some point, but to actually get input in advance was good.

I did hear, and I was glad it was my two fellow board members on either side of me versus me, that the lawyers in the room did spend a lot of time talking about "and" and "or" and what does that mean. So that, I know, took a little time.

1	MS. COST: Such is the nature of the business.
2	MR. VANDERGRIFF: Any questions or comments that
3	you want to make?
4	MS. RYAN: I learned some new Latin.
5	MR. INGRAM: And what was it?
6	MS. RYAN: Includus and excludiso. A joke, you
7	had to be there.
8	(General laughter.)
9	MR. VANDERGRIFF: As I understood it, couldn't
10	think of the term so just decided to get everybody to flow
11	with it.
12	MS. RYAN: Yes, there is a Latin term but I can't
13	remember the name, so that's our new Latin.
14	MR. VANDERGRIFF: Any further questions? Mr
15	Bray? I was about to go into executive session recess.
16	MR. BRAY: I do want to ask you one thing, back
17	on an additional board meeting, first of all, are you
18	intending to have the full board?
19	MR. VANDERGRIFF: If we do it, yes.
20	MR. BRAY: And Mr. Palacios is not scheduled.
21	MR. VANDERGRIFF: It would have to be in October.
22	MR. BRAY: Okay. And then the second question is
23	would you give any thought to the idea and I'll get
24	daggers for this of possibly doing another
25	teleconference, or do you not prefer that?

MR. VANDERGRIFF: No. That might work. The board would appreciate that, I think, so yes, we'll look into the possibility of that. That would be a good idea.

MS. RYAN: Excellent idea.

MR. VANDERGRIFF: I'm hearing comments in my ear that that's a good idea. We'd obviously have to make arrangements so the public could hear it. I know they found us last time.

With that, we're going to go into executive session here shortly. We'll take a break of ten minutes. It's now 10:55 on September 8, 2011. We'll go into closed session at approximately 11:05 a.m. under the following sections of the Texas Government Code: Section 551.071 to obtain the advice of legal counsel regarding agenda items 5.C and 5.D, and to consult regarding any other pending or contemplated litigation, and Section 551.074 to discuss personnel matters under agenda items 4.G, H, I and J regarding the appointment, employment, evaluation, reassignment, and duties of the internal auditor, possible interim executive director and executive director.

For those of you in the audience, I would anticipate, I can't really be sure about this but I would not expect it to be a long executive session, and we certainly will reconvene in open session after that. I would anticipate we'd be back in here before noon.

The only items that we have after that, we do have some staff reports which I will note for the board and for the public that we have a lot under our automation project but those are being condensed. Dawn Heikkila will cover those and we'll discuss that, so I think that presentation will be fairly short. And then we have not covered the fiscal year MOU between TxDOT and the DMV which Dawn and Jennifer will cover. Don't anticipate major discussion on that seeing as how it's already been executed. But those are the only two items other than what comes out of executive session.

With that, we're in recess for ten minutes and we'll see you in executive session.

(Whereupon, at 10:55 a.m., the meeting was recessed, to reconvene this same day, Thursday, September 8, 2011, following conclusion of the executive session.)

MR. VANDERGRIFF: It's approximately 12:30 p.m. on September 8, 2011 and the Board to the Texas Department of Motor Vehicles is now in open session. We want to note that no action was taken in closed session. We do have some items from that that we will be discussing and potentially taking action on here in a few minutes.

I'd like to go a little bit out of the order. We do have the items coming 4.G through J, but I'd go ahead in the interest of keeping the presentations consistent before

we had to action items if we could go to the staff reports and the monthly financial statement, and then we also have Dawn Heikkila to give us kind of a brief synopsis of the automation project, and Gary as well.

2.

MS. FLORES: For the record, my name is Linda Flores. I'm the chief financial officer for the Texas Department of Motor Vehicles.

In our monthly financial report we've included a couple of new items in our desire to provide more descriptive information regarding our expenditure and revenue information, so if I could direct you to page 2 of the document. I've identified two new items in this and future reports. One is we're going to be reporting our revenue collected versus our projections, and that is shown on page 5 of the document.

This report, however, includes the Comptroller's biennial revenue estimates. Those are the official state estimates, and so we're measuring ourselves against the official state revenue estimate. In this regard, we're estimating that we're going to fall slightly short in the registration fees. If I can direct you towards the bottom part of that page, we discuss why we believe we're going to be slightly short. The official state revenue estimates had a 3 percent growth rate from '08 and '09. TxDOT's original projection was a growth rate of 2-1/2 percent, whereas the

DMV's projection was closer to 1-1/2 to 2 percent growth rate. If you take all of those different projections, I believe that we're going to be closer to what our staff projected. So these estimates, the procedures, processes are going to get better as we develop our own procedures, but we will be reporting to you on a monthly basis.

2.

The other new item is on page 15, and I guess this is the item of more interest, if you will.

MR. VANDERGRIFF: Well, I want to say I was keenly interested and very appreciative that the department is standing up and giving what it believes is a realistic estimate, and the proof's in the pudding that we were closer to the mark. So I appreciate that effort. Thank you very much. It's very important.

MS. FLORES: Thank you.

MR. VANDERGRIFF: Go ahead. Sorry I interrupted.

MS. FLORES: That's okay.

The My Plates forecasting trend analysis, this is with some limited information, some limited data, we're going to start kind of assessing the situation, the revenues that the state is receiving and kind of keeping a pulse of where we're at. And based on the, as I mentioned, limited data because the vendor has only been in existence and operation for 21 months, so based on the data that we've seen, we are seeing a trend where, depending on new sales

and a new marketing plan and a retention rate, the vendor will be able to meet their obligation to the State of Texas to generate \$25 million for general revenue. So again, we'll be including this in our financial report to the board.

2.

And expenditure-wise, we're on track as to what we had estimated. I know that we're going to spend another approximately \$11 million in August, so we are going to be lapsing quite a bit of authority, if you will, this biennium, but we anticipated that all along.

MR. VANDERGRIFF: What will the final number be?

MS. FLORES: The final number is going to be

closer to \$101 million total expenditures for the agency.

We actually estimated \$108 million, so we are a little off

of our projection. A lot of it has to do with the

automation project. So with everything that's been going on

at the very end of the fiscal year we know that we're

starting to ramp up that project. Those dollars were

appropriated to us for the next biennium, so if we just stay

on track and meet our targets, at the end of 2013 we'll be

okay.

MR. VANDERGRIFF: How much lapsed, approximately?

MS. FLORES: How much lapsed, almost \$100

million.

MR. VANDERGRIFF: I'm sorry. You said that.

MS. FLORES: The other thing with regards to the My Plates update, I do have some information on new orders processed for the month of July, over 3,300. Gross revenues for July were \$906,000: revenue to the vendor \$455,000, revenue to GR \$338,000, and revenue to Texas DMV \$104,000.

And that concludes my financial report.

MR. VANDERGRIFF: Any questions?

(No response.)

MR. VANDERGRIFF: We did have Steve Farrar from My Plates. Did you wish to address us?

MR. FARRAR: Mr. Chairman and board members, for the record, my name is Steve Farrar, president of License Plates of Texas trading as My Plates under contract with the Texas Department of Motor Vehicles.

I just wanted to reiterate the pleasing news that was just presented about the fact that we are on track to deliver \$25 million over five years. You'll see, I think, from those projections that we're going to exceed the \$25 million based on our current track record and where we're going at the moment. To date we have sold 60,000 plates to the market, delivered \$6 million in total to the general revenue fund, and certainly additional revenues beyond that to the Department of Motor Vehicles for cost recovery and also programming costs. So the program is doing well, it's not costing taxpayers a dime, and generating great revenue

for the State of Texas.

2.

That's about all the comment I have to make, and more than happy to make myself available for any questions.

MR. VANDERGRIFF: Thank you, Steve. Appreciate the work.

With that, we're on to Dawn to give us an update.

MS. HEIKKILA: Thank you, Mr. Chairman, members.

For the record, my name is Dawn Heikkila, I'm the chief operating officer for the DMV.

I have with me today our chief information officer, Gary Gordier. This might be, some of you, your first opportunity to put eyes on him. He is going to present an overview of all of our IT and IT-related projects, and then I'm going to talk a little bit about the TDCJ contract which was executed this month, as well as provide an update on what's going on in HR.

MR. GORDIER: For the record, my name is Gary Gordier, I'm chief information officer for the Department of Motor Vehicles.

The first item I'd like to address, and I may take a couple of these individual ones maybe a little out of sync here with the list, but I'll cover all of the technology items. With regard to the big projects that are going underway right now, we have a project known as Known Enhancements of Existing Systems, KEES we call it. That is

a process of looking at all those known systems and doing some short-term gains with those, and I believe it's safe to say that the KEES project has had some very big wins for the Department of Motor Vehicles, and at the next board meeting I will be prepared to outline in some detail some of what has been done with KEES.

2.

Most recently on August 22 we released Version 6.8 of the RTS application, and it included legislative updates that were mandated to really be important to be implemented at the beginning of that period of time. One of those was invalidating registration upon the sale of a motor vehicle to a dealer, capturing the vehicle color at the registration renewal time. The disabled placard improvements allowed for the second disabled placard to be issued with the same expiration date as the first one to an individual. We did some special plate inquiry so that it allows users to view the specialty plate registration records, and we did some forms updates to ensure that the forms access in the RTS system was consistent with what we had on the website. So those were some of the things included in the August release that just went out.

We are planning another release of the RTS system on October 24. There will be changes in registration notices for the write-in donations for the Veterans and the Parks and Wildlife, as well as support for equipment changes

for the count equipment replacement project. There was some programming changes that needed to be implemented there.

And then on November 19 we'll be doing a large plates release to meet some of the legislative changes that were in place.

2.

Another element within those projects underneath the KEES umbrella is eTags and it has been an application that had some real serious problems. We discovered a known bug in the DB2 database that was housed in the Austin Data Center, and we found that by using a workaround we were able to apply and initiate a temporary fix. Since we did that there have been no outages on eTags, yet the Austin Data Center has yet to apply the patch that was released some time ago and I'm exploring with them as to why and when and so forth we can actually have that bug fixed permanently.

Another application area that we're engaging in we call Web Sub. It's part of Web Agent which will include Web Sub on subcontractors to the counties, as well as eventually web dealer. We're planning to begin deployment in Williamson County on a permanent basis. They're in the beta test right now but we'll be doing a production deployment in October, and following that we'll begin deployments across counties on a staggered basis beginning the first of November. We're going to be taking aim at the big seven counties which consume about 92 percent of the

transactions that generate those, and so we're hopeful that it will have an impact. It is a web-based application, we won't have to be supplying equipment for those subcontractors, and that will be one of the goals that the board had set.

When we look at the business process analysis, some of the board members I know have participated in the sessions that we have been undergoing. Those workshops have been very well received, we've had a great participation from the TACs, the motoring public, different industry representatives, and it's given us great information in helping to define the to-be environment that we'll be developing around as we move that project forward.

Everything is on track to bring that project to a successful conclusion. Business imperatives have been identified and we were using the guiding principles in those workshops that have been very helpful, I think. We had great feedback from what has occurred with that.

Another technology area we call ILAPPS, the
Infrastructure Legacy Application analysis project. It goes
part and parcel with the automation project. One of the
things that we've done, we completed four more deliverables
this last month. They were documenting all the database
management systems, the LAN and the WAN environments in the
data circuits. We've acquired data for the data models in

the servers and we've documented a full software application list.

2.

In doing this we've discovered that some of the information we've been able to acquire from our legacy agency of TxDOT that there needs to be some additional updates done to those, but we basically did the first round with those.

This next month during September we're taking aim at six more deliverables in that project to be addressed, and the project is on target for completion in December 2011 in conjunction with the BPA project.

Then we have the LACE rewrite project. At the last meeting of the board, due t the potential impacts of the BPA changes, we suspended the rewrite project of that and we've taken those resources that were working on that and reassigned them to work on needed improvements in other existing systems.

The last area of technology I'd like to talk about is the equipment upgrades to the counties. On July 26 we issued \$3.8 million, roughly, for a purchase order for the work stations and the next day we issued a purchase order for about \$1.1 million for the networking equipment, and then on August 3 we issued a purchase order for about \$2.4 million for the deployment of that equipment.

Despite due diligence and the efforts of the

project team, no equipment was deployed to the counties in August, as we had hoped. Several events contributed to that delay. First of all, the manufacturers were not making a lot of equipment to inventory because of the economy and they were not able to deliver equipment as quickly as we had anticipated. We have components that were unable to ship before August 31, but as of September 6, I believe it is, all equipment has been shipped now and we're gearing up for deployments.

2.

During this downtime, if you want to call it, despite that the vendor that is doing the deployment didn't sit on their thumbs. They moved forward and they've already completed 46 site visits which is an integral part of what needed to be done for many of the sites since we're changing all the networking infrastructure.

The deployment schedule with initial counties is contingent upon TxDOT completing the RTS application imaging, and we've been working with them on that.

Yesterday I had a meeting with TxDOT and they have assured me that they are going to make this the number one priority to get this completed so that we can get underway with production. It's been a very difficult time as we've gone through this because being married at the hip with TxDOT right now, they have to approve everything that runs on their network, all the equipment had to be tested and they

had to approve and make sure everything was correct, and we're just really pleased that finally I think we're going to get there. Everything has been approved except getting the image that has to be burned on the PCs to work properly.

2.

And with that, I'll respond to any questions you may have.

MR. VANDERGRIFF: Any questions from the board?

MR. INGRAM: I have a question. Web Sub, I'm not very familiar with that one. Can you kind of go a little deeper into Web Sub?

MR. GORDIER: Absolutely. The subcontractors of the counties are able to do registration renewals, and up to this point we've been supplying equipment for them to be able to print the stickers and so forth and it's been more of a batch process, and what we've done is re-engineered to so it is an internet-based application now that will be using a web browser, and they'll be able to perform the exact same function but we won't have to be buying equipment for them to be able to do that, they'll be able to use their own equipment. This will be the HEBs, Kroger's, AAA, as well as the mom-and-pop operations that function as subcontractors to the counties.

MR. INGRAM: I guess I wasn't familiar with the acronym, so I'm a little more familiar with what we're doing. But you are now ready to go out to do a test, if you

will?

2.

MR. GORDIER: Well, we've been actually using what's called Model Office in conjunction with Williamson County. It's allowed us to get feedback from them as the application was developed. They're now in beta, everything seems to be working very well, and we're getting ready to ramp up going into production.

Some interesting things have surfaced as we've gone into this because it really becomes a second venue should the RTS system not be available for some other reason or if they're overloaded because of traffic coming in, and the counties will be able to take Web Sub and if they've got a laptop or something with a browser on it, log in and do renewals so they could move people over to another line and do renewals using that same application. And there may be some other efficiencies that will bubble out of this that we see as we begin this deployment.

It's been a very positive process working with Williamson County with this application, and we will be continuing that kind of an environment of involving the TACs and applications that we develop going forward also.

MR. INGRAM: When did the work start on the web application Web Sub?

MR. GORDIER: That's a real good question. Can you help me on that, Dawn? I've only been here three

1 months. MS. HEIKKILA: I think it started in the spring 2. MR. GORDIER: I think it was in May, if I 3 4 remember correctly. MS. HEIKKILA: If you'd like an exact date, we 5 6 can get you one. 7 That's good. Great. MR. INGRAM: Thank you. 8 MR. VANDERGRIFF: Any further questions? I guess Thank you very much. 9 not. Thank you. 10 MR. GORDIER: MR. VANDERGRIFF: 11 Dawn. MS. HEIKKILA: I have two real guick, brief 12 13 items. 14 The contract with the Texas Department of 15 Criminal Justice for the manufacturing of license plates and hanging placards was executed by our former executive 16 17 director on August 16. If you'll remember, at the last 18 board meeting you approved the operating budget and that was part of the operating budget, and you'll be able to see 19 20 activity charged against this contract as the year 21 progresses and Linda presents expenditure data because it is part of our operating expenses. 22 23 The other thing that I have is just kind of an

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update real quick on where we're at in some of our human

resource achievements. We've stood up our staff really

24

25

quickly, separated from TxDOT. Sharon Brewer is our HR manager, I think she's here. She's done an excellent job staffing that function. They've taken a 538-page manual and totally reviewed it, looking at opportunities to streamline processes. The draft manual is actually on her desk, she's reviewing that now and will make that available probably in October, first part of November for review by general counsel and myself. So we're trying to pare it down so it's a lot more user-friendly and easier to use. One of the marked improvements that we've seen is we've taken the new employee orientation which under the legacy agency was two days and pared it down to just the essential required training into about two hours. So they're a pretty efficient group.

2.

MR. VANDERGRIFF: That's great. I can't imagine, having taken a look at that, how anybody could go through, from an employee perspective, a 538-page manual and not feel overwhelmed.

MS. HEIKKILA: And it's an online manual so it's not like you get to mark it up or put stickies on it. Lots of bookmarking.

That's really all I have except of the MOU which Jennifer is going to present.

MR. VANDERGRIFF: Okay, great. Jennifer on the MOU.

MS. SALDANO: For the record, my name is Jennifer Saldano. I'm an assistant general counsel.

I'm happy to say that the MOU was signed before the end of the fiscal year. At your last meeting you had asked for some provisions, and I just want to quickly go over those provisions to tell you what we got.

One of them was to have costs invoiced within 90 days instead of 120, and we got that so the costs will be invoiced in 90 days. The other was to have a maximum amount payable by the TxDMV of \$5 million, and that went into the agreement.

The other it originally was that we be released from systems such as HR online as they got modified, and I didn't want that because modification could be a small modification, so what we agreed upon was if they replace them that would be fine, and that they agreed to do reasonable modifications for us in order that we can use their system with our new HR processes.

We wanted to pay by unit cost rather than lump sum as far as IT help, that kind of personnel resources, and we got that, so we will be paying by unit cost.

One thing we wanted to do was trade motor vehicle data for printing for what we used in Fiscal Year 2011.

Well, I turned out that wasn't real realistic because they were actually already paying us for the motor vehicle data,

and we didn't realize that their vendor pays us for that data. Most of what they need it for is the toll roads and it goes through a vendor, so we're actually being paid for that data. So we will go out with any printing in the normal state government procedure to get the printing done.

2.

The final thing that you asked for was related to utilities and rent for the space that we occupy, and there was no problem, we were always going to pay what we traditionally were charged to the strategies for Registration and Titling, Motor Vehicle Regulation and Automobile Theft Prevention. What we agreed to is there was some question whether TxDOT had actually been appropriated monies for some of these spaces for maintenance and that type of thing, so TxDOT agreed that anything that they were appropriated for they would go ahead and pay, because the idea of the MOU is obviously not for anyone to make any money, so they're going to pay anything that could come out of their appropriations.

MR. VANDERGRIFF: Questions?

(No response.)

MR. VANDERGRIFF: Thank you for all the work on that, Jennifer. Appreciate it.

We'll come back in our agenda underneath number 4, and the first item of business is to accept the resignation of Ed Serna, who left the agency as the

1 executive director on the close of business on August 31, And I would be, I won't say under the circumstances 2. pleased, but I would appreciate entertaining a motion. 3 4 MR. RODRIGUEZ: So moved, Mr. Chairman. MR. VANDERGRIFF: We have a motion from Board 5 6 Member Rodriguez. Do we have a second? 7 MR. RUSH: Second. MR. VANDERGRIFF: Second from Board Member Rush. 8 9 All those in favor of that please raise your right hand. (A show of hands.) 10 MR. VANDERGRIFF: 11 Opposed. (No response.) 12 MR. VANDERGRIFF: The motion carries unanimously. 13 14 The next item is a briefing and a possible 15 appointment of the interim executive director, and the discussion that we've had is to obviously stay internal to 16 17 provide a consistency and a certainty to the staff that 18 we're all on the right path together as a team, and we have asked Linda Flores to serve as that executive director, or 19 20 we're in the process of asking for that, and I think the 21 board is very supportive of her in having that position, and 22 I'd be pleased to entertain a motion. I get a nod of the 23 head from Board Member Rodriguez. 24 MR. BUTLER: Second. MR. VANDERGRIFF: And a second from Board Member 25

1 Butler. We're honored that you would accept -- well, you 2. haven't yet but hopefully you will. And I believe in that motion I'm authorized, on 3 4 behalf of the board, to work with Ms. Flores in terms of the position and the compensation, so we'll do that. 5 MR. RODRIGUEZ: For the benefit of Linda and the 6 7 staff that's here, we appreciate you guys helping us out and holding this agency over this interim period. We ask that 8 everybody come together and see the mission of this 9 department move forward. And for my part, we will do the 10 very best to help the process. Thank you very much. 11 MR. VANDERGRIFF: I think that's a great way to 12 echo all the board's sentiments. 13 14 MR. RUSH: Exactly. 15 MR. VANDERGRIFF: Any other board members wish to comment? 16 17 (No response.) 18 MR. VANDERGRIFF: All right. We have a motion and a second. Al those in favor please raise your right 19 20 hand. (A show of hands.) 21 MR. VANDERGRIFF: The motion also carries 22 23 unanimously. 24 Our next item is a briefing and possible action

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to approve to post in executive search services an RFP, and

25

I'll turn that over to Laura Ryan.

2.

MR. RODRIGUEZ: What about your internal auditor?

MR. VANDERGRIFF: I apologize, I skipped that accidentally, but I'll come back to it since I started.

MS. RYAN: Keep going?

MR. VANDERGRIFF: Yes, go ahead since we started.

MS. RYAN: You have in front of you for review, if there's questions, the RFP to go out for proposals. The timeline includes that it would be once some minor tweaks are made, which my understanding is we can do that today or tomorrow at the latest, the timeline would allow that in three weeks would have the proposals back for review and scoring.

The scope of the RFP for the immediate proposals would be for the search of an executive director, however, the contract would be available for the board to use on a three-year term as part of any succession planning, that should there be a need for executive leadership at any time we would have the ability to fall back on this contract and not go back through the re-posting process, although the board would have to authorize any use of that. And I think from a timeline that's it, unless there's questions.

I would like to move that the board authorize this request for proposals to solicit executive search firms for the department and authorize the agency's chief

1	operating officer to finalize, if there are any tweaks from
2	the board, changes prior to posting, and then to post at the
3	advice and consent of the board chair the RFP for executive
4	search for the executive director position, as well as for
5	other departmental executive or management positions as
6	needed and determined by the board.
7	I'd also like to add that we authorize the chair
8	to finalize the selection so that at the point all the
9	proposals are in and it's scored, we're able to move forward
10	and he can authorize the agency to execute the contract and
11	we can have the search firm start recruiting.
12	MR. WALKER: Is that a motion?
13	MR. VANDERGRIFF: That was a motion.
14	MR. WALKER: Second.
15	MR. VANDERGRIFF: We have a second from Board
16	Member Walker. Any discussion?
17	(No response.)
18	MR. VANDERGRIFF: All those in favor please raise
19	your right hand.
20	(A show of hands.)
21	MR. VANDERGRIFF: Opposed.
22	(No response.)
23	MR. VANDERGRIFF: The motion carries unanimously.
24	And the last item, and certainly not the least,
25	is the recommendation to approve and authorize employment of

the internal auditor candidate, and Mr. Butler.

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MR. BUTLER: Thank you, Mr. Chairman.

The Texas Department of Motor Vehicles posted a Director IV chief internal auditor vacancy on January 12 of this year. The posting closed on February 11, 2011. The agency received 46 applications, and after screening by the HR department, 27 met minimum requirements. We three members of the Audit Committee, Ms. Ryan, Mr. Ingram and myself, last month interviewed the five top scoring candidates over a period of two days. Based on the interview scores, we recommend that we extend and offer to the top candidate.

The Director IV chief internal auditor position is classified as a Director IV, Salary Group B-29, and the salary range is \$89,682 to \$147,976. Based on the candidate's qualifications and experience, we recommend that the Human Resources Department extend an employment offer within this position's salary range. We, the committee, further recommend a start date of October 1, 2011.

Accordingly, and representing the Audit

Committee, I make a motion to extend this employment offer

to the top candidate of said position with a salary range of

\$89,682 to \$147,976. That is a motion.

MR. RUSH: Second.

MR. VANDERGRIFF: Second from Board Member Rush.

Any discussion?
(No response.)
MR. VANDERGRIFF: Seeing none, please raise your
right hand in support of the motion.
(A show of hands.)
MR. VANDERGRIFF: The motion passes unanimously.
Thank you again to Mr. Butler and the committee
members for the hard work on this, we appreciate that, as
well as the staff.
With that, we've come to the conclusion of our
agenda. I don't see that I have any additional cards from
the public wishing to make any comments. So with that, I'd
be pleased to entertain a motion to adjourn.
MR. RUSH: I make that motion.
MR. RODRIGUEZ: Second.
MR. VANDERGRIFF: A motion from Board Member Rush
and a second from Board Member Rodriguez. All those in
favor please raise your right hand.
(A show of hands.)
MR. VANDERGRIFF: The motion carries unanimously.
We are adjourned.
(Whereupon, at $1:03$ p.m., the meeting was
concluded.)

CERTIFICATE

MEETING OF: TxDMV Board

4 LOCATION: Austin, Texas

DATE: September 8, 2011

I do hereby certify that the foregoing pages, numbers 1 through 110, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy King before the Texas Department of Motor Vehicles.

09/12/2011 (Transcriber) (Date)

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